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West Europe Report

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30 May 1984

WEST EUROPE REPORT

CONTENTS

ARMS CONTROL

ICELAND

- Prime Minister Warns Easter Peace Activists on Stands
(MORGUNBLADID, 25 Apr 84) 1

POLITICAL

DENMARK

- Union Ties to Social Democrats Increasingly Under Attack
(Per Sabroe; SVENSKA DAGBLADET, 28 Apr 84) 3

FINLAND

- Country's Leading Daily Criticizes U.S. Role in Nicaragua
(Editorial; HELSINGIN SANOMAT, 20 Apr 84) 5
- CPSU's Stefan Smirnov to Finnish CP: Reelect Kajanoja
(HUFVUDSTADSBLADET, 30 Apr 84) 6
- Youth Organizations To Take Role in Moscow Festival
(HELSINGIN SANOMAT, 11 Apr 84) 8
- SKDL: Finland Should Take Part in Removing Nicaragua Mines
(HELSINGIN SANOMAT, 12 Apr 84) 9
- CP Will Find It Difficult To Avoid Taking Action on Rift
(Editorial; HELSINGIN SANOMAT, 11 Apr 84) 10
- Paper Analyzes Kivisto's Threat To Break SKDL Ties With CP
(Editorial, Bjorn Mansson; HUFVUDSTADSBLADET, 11 Apr 84) ... 12
- Vayrynen Increases Control of Center Party
(Arto Astikainen; HELSINGIN SANOMAT, 21 Apr 84) 14

Vappu Taipale To Leave Cabinet in December (HELSINGIN SANOMAT, 26 Apr 84)	20
NORWAY	
Communist Party Press Reports on Congress (FRIHETEN, 3 Apr 84)	23
Meetings Opened to Press, by Tore Fossgard Party Must 'Raise Profile', Editorial	
Progressive's Chief Hagen on Party Future, Ties With Coalition (Nils Ottar Ask; ARBEIDERBLADET, 7 Apr 84)	27
Labor Party Paper Attacks Coalition's Economic Policies (Editorial; ARBEIDERBLADET, 10 Apr 84)	30
SPAIN	
PNV Cross-Overs Give Navarre to Socialists (DIARIO 16, 9 Apr 84)	32
Nationalist Issues in Catalan Political Identity (Ricard Huguet; AVUI, 12 Apr 84)	35
Biographic Profile of Generalitat Leader Pujol (Antoni Batista; AVUI, 15 Apr 84)	37
Fraga Urged To Intervene in Basque Presidential Scandal (ABC, 17 Apr 84)	40
Comment Urges Autonomy Statute Based on Spanish Constitution (Editorial; ABC, 29 Apr 84)	42
MILITARY	
EUROPEAN AFFAIRS	
France Mounting Drive To Export Arms to Sweden (Erik Liden; SVENSKA DAGBLADET, 16 Apr 84)	45
National Interests at Odds in Future Fighter Development (FLUG REVUE, Mar 84)	47
Opportunity, Risk; Editorial, by Klaus Mueller Five Partners Seek Shares UK Armaments Minister Comments	

NORWAY

- New Ships, Reconditioning Program To Aid in Combating Subs
(ARBEIDERBLADET, 7 Apr 84) 54

SPAIN

- Serra to Norway NATO, Weapons Production Talks
(YA, 29 Apr 84) 56
- PSOE Leadership To Ask for 'Free Hand' on NATO Integration
(ABC, 29 Apr 84) 58

SWEDEN

- Preliminary Findings on Latest Karlskrona Sub Hunt Revealed
(Sven Svensson; DAGENS NYHETER, 19 Apr 84) 60
- Sub Intrusions, Polish Events Spur Recruitment of Women
(Gunilla Tengvall; DAGENS NYHETER, 22 Apr 84) 62

ECONOMIC

AUSTRIA

- Financial, Personnel Problems of Trade Union Federation
(Walter Schwarz; PROFIL, 16 Apr 84) 65

FEDERAL REPUBLIC OF GERMANY

- Industry Leaders Upbeat Despite Recovery's Limited Gains
(Richard Gaul; DIE ZEIT, 6 Apr 84) 71
- Major Structural Changes in Economy Reviewed, Projected
(FRANKFURTER ALLGEMEINE, 25 Apr 84; SUEDEDEUTSCHE ZEITUNG,
16 Apr 84) 75
- Past Decade's Performance Weak, by Lothar Julitz
Next Decade's Prospects Uncertain, by Volker Woerl

FINLAND

- Soviet Trade Exhibition Reflects More Aggressive Exports
(Martti O. Hosia; SUOMEN KUVALEHTI, 13 Apr 84) 80
- Latest Trends in Barter Trade With USSR Examined
(Antti Blafield; HELSINGIN SANOMAT, 17 Apr 84) 84
- Soviets Come Away From Trade Exhibition With Large Orders
(HELSINGIN SANOMAT, 20 Apr 84) 89

Large EC Role for Finnish High Technology (HELSINGIN SANOMAT, 20 Apr 84)	90
ICELAND	
Trade Minister on Fish Exports at EC, EFTA Meeting (MORGUNBLADID, 10 Apr 84)	91
Substantial Improvement Expected in Foreign Trade Deficit (MORGUNBLADID, 17 Apr 84)	92
Prime Minister Vows To Continue Inflation Fight (MORGUNBLADID, 12 Apr 84)	94
Paper Comments on Need To Fight Against Inflation (Editorial; MORGUNBLADID, 25 Apr 84)	95
Paper Cites Areas of Improvement Due to Government Policies (Editorial; MORGUNBLADID, 12 Apr 84)	97
Central Bank Director Warns Against Interest Rate Rise (MORGUNBLADID, 19 Apr 84)	99
SPAIN	
Gonzalez Faces Stormy Criticism of Economic Policy (DIARIO 16, 27 Apr 84)	101
SWEDEN	
Palme May Be Tempted To Accompany Price Freeze With Wages Law (Sven Svensson; DAGENS NYHETER, 19 Apr 84)	105
Briefs	
Technical, Industrial Cooperation With China	108
ENERGY	
DENMARK	
Government Comes To Rescue of Gas Consortium as Crisis Worsens (INFORMATION, 12 Apr 84; BERLINGSKE TIDENDE, various dates)	109
Report Cites Over-Optimism	
New Rescue Plan Set, by Dan Axel	
New DONG Board Member, by Peter Kjelstrup	
Background to Financial Crisis, by Peter Kjelstrup	
Prospects for Consortium	

FINLAND

Briefs

Energy Consumption Increases

120

ENVIRONMENTAL QUALITY

FINLAND

Panel: Environment Ministry Personnel Shortage Hurts

(HUFVUDSTADSBLADET, 28 Apr 84) 121

PRIME MINISTER WARNS EASTER PEACE ACTIVISTS ON STANDS

Reykjavik MORGUNBLADID in Icelandic 25 Apr 84 p 27

[Article: "Nearly 3,000 Sign Easter Peace Statement"]

[Text] "We the undersigned, participants in the 1984 Easter Peace, call upon the Icelandic Government to take a position of firm opposition to nuclear weapons and the arms race.

"We call upon the United States and the Soviet Union and other nuclear powers to enter into an agreement on stopping nuclear weapons production and beginning a systematic disarmament. While efforts are being made towards such an agreement none may have contact with nuclear weapons or equipment associated with them. Such an agreement will be a first step towards general disarmament, the final goal of the peace struggle."

Thus is worded the statement of Peace Week 1984, which came to an end on the second day of Easter in the Nordic House, after going on continuously for 11 days. At the end of Peace Week 1984 Helga Bachmann, representative of the Peace Movement of Icelandic Artists, handed over to Prime Minister Steingrímur Hermannsson the petition whereon nearly 3,000 persons had signed their names under the above reported statement.

Attendance was good during Peace Week 1984, according to Father Bernhardur Gudmundsson, who sat on the executive committee. However, Gudmundsson noted that there had been far more participants than those signing the statement. The discrepancy arose from the fact that the participants register and the statement of support were placed at a location that many participants were unaware of. In addition, the large numbers of children participating in the peace week usually did not sign the participant register. Father Bernhardur Gudmundsson said that participation at times was far better than had been expected, in fact so good that the accommodations of the Nordic House were barely adequate. Among the various events there was especially good attendance at the "Halldor Laxness Evening," which program was based on poetry readings and recitations of the works of Laxness. There was also a big crowd when physicists and doctors gave an educational program on the effects of nuclear weapons. There was a steady good attendance at children's sessions and graphics workshops which were organized daily under the direction of graphic

artists. The sessions turned out so well that graphics projects had to be terminated on the last day as they run out of paper and paint. Large numbers of people also attended the church program on Easter and on the second day of Easter.

The following sixteen groups and movements supported Peace Week 1984: Peace Movement of Icelandic Artists, Physicians Against Nuclear Catastrophe, Union of Icelandic Physicists Against Nuclear Disaster, Peace Movement of Icelandic Women, Parents' Peace Group, Peace Group of Association of Single Parents, HOF [expansion unknown], Independence Peace Movement of Continuation School Students, Peace Movement of Continuation School Students, Union of Military Base Opponents, Vardberg, Union for Western Cooperation, Education and Peace Movement of Icelandic Women, Icelandic Peace Committee, Educators' Peace Group, People's Alliance Young People's Movement and Church Peace Committee.

9857

CSO: 3626/24

UNION TIES TO SOCIAL DEMOCRATS INCREASINGLY UNDER ATTACK

Stockholm SVENSKA DAGBLADET in Swedish 28 Apr 84 p 39

[Article by Per Sabroe]

[Text] A revolt against the trade unions is breaking out within the Danish society, and this applies in particular to the close union ties to the Social Democrats.

The revolt has been particularly noticeable in Copenhagen where, during the Easter week, approximately 100,000 passengers had to walk, bicycle or go together in cars because 1,000 busses of the Greater Copenhagen Public Transport Company were not operating in protest against a single driver.

The driver in question, Per Brandt, who lives at Frederikssund, works on a bus line to the suburbs, and he has refused to join the Drivers' Union. He preferred instead a so-called free nonpolitical union.

"I do not want to contribute to the election campaigns of the Social Democrats through my trade union dues, and I go by the Danish constitution which says that one may decide oneself the kind of association one wants to join," he said, while mentioning that he had voted for the Liberal Party and, therefore, did not want to support political opponents involuntarily.

A total of 4,000 drivers went on strike to have Brandt fired or to force him to join their trade union, which has an agreement with the Copenhagen local traffic authority. The Greater Copenhagen Public Transport Company management was shocked that public authorities may not dismiss an employee on account of his union affiliation. There is a precedent in Denmark already from the sixties. It is, moreover, incorporated in the human rights declaration of the Council of Europe, and three British railroad workers received 1 million kroner by way of compensation when they were dismissed in Great Britain for not wanting to be members of the trade union which had concluded an agreement with the railways.

The precedent was referred to during the debate on Per Brandt, and, at Easter, he was suspended from his job but against full payment of his wages. The Greater Copenhagen Public Transport Company stated that they did not intend to

dismiss him but that the suspension was the only way in which they would be able to get the busses back into operation. Nonsocialist politicians within the Folketing as well as within the municipal council (local government board), which controls the Greater Copenhagen Public Transport Company, demand that Per Brandt return to his job. That would cause another strike. He has, moreover, got followers; 30-40 other drivers also want to leave the union.

At the same time, the unrest is spreading. During Easter, a fireman notified the fire brigades union that he wanted to withdraw from it, and it may result in unrest within that municipal working place.

Trade union leaders take a suspicious view of the withdrawals from trade unions and claim that they are trends supported by the nonsocialist government and thus constitute a political action. A compromise solution has been proposed by one trade union leader who says that any members who object to contributing to election advertisements may receive a refund of the few kroner of which it is a question per member. However, those attacking the unions demand that their union must be nonpolitical. And others, moreover, demand that even bigger contributions be made during the election campaign--also to the other workers' parties, such as the Socialist People's Party and the Communist Party.

Folketing

The issue will be taken up in the Folketing, which is preparing legislation according to which all contributions to all parties will have to be made public. Several nonsocialist parties have hesitated to reveal the names of persons who prefer remaining anonymous. This does not bother the trade unions, which state that they are prepared to announce from where they get their funds, provided the employers' associations, at the same time, announce how much they give to the nonsocialist government parties.

7262

CSO: 3650/194

COUNTRY'S LEADING DAILY CRITICIZES U.S. ROLE IN NICARAGUA

Helsinki HELSINGIN SANOMAT in Finnish 20 Apr 84 p 2

[Editorial: "On the Threshold of War"]

[Text] The beginning of an open land war with front lines can only be a matter of time in Nicaragua. Even though the southeast port city with its support area seized by rightwing rebels last week is probably back under the control of the troops of the Sandinista government, there is reason to expect that attacks will become stronger. The rebels are just now receiving CIA-trained and armed troops, who are apparently capable of actions other than short-term guerrilla attacks.

Thus President Ronald Reagan is clearly getting his desired war, by which he wants to bring order to Latin America. The permanent presence of the rebels on Nicaraguan soil would suit Reagan's wishes very well, since this would create the illusion of a popular uprising against the Sandinistas.

After the mining of Nicaraguan waters and the disregarding of the decisions of the International Court at The Hague, President Reagan has made the famine in Africa a hostage to the war in Latin America. He tied 60 million dollars in aid to starving Africans to an equally large amount of military aid to Nicaraguan rebels and the government of El Salvador. The use of hunger as a means of extortion is, however, inhumane and outright barbaric. Reagan has forgotten America's original values in his claim to be supporting them.

Congress, which has left on Easter break, has not yet been able to answer the numerous aspects of the president's foreign policy. However, both the major parties united their ranks last week against the President because of the mining incident. The adoption of famine in Africa as a weapon will hardly delight Congress, which has seen the President headed for war in spite of all the opposition.

10576

CSO: 3617/149

CPSU'S STEFAN SMIRNOV TO FINNISH CP: REELECT KAJANOJA

Helsinki HUFVUDSTADSBLADET in Swedish 30 Apr 84 p 5

[Article by L.H.: "View of CPSU: Elect Kajanoja, Don't Break Up FKP"]

[Text] Elect Jouko Kajanoja as party chairman and do not break up the Finnish Communist Party [FKP]. That message came more or less clearly from a speech made on Sunday in Lahtis by Stefan Smirnov, who is a functionary in the international division of the Soviet party. The speech is said to directly reflect the memorandum which the politbureau recently sent to the FKP.

"The FKP, which is preparing for its party congress, has reached a dangerous point at which its path is threatened with division.

"In connection with preparations for the congress, clear threat factors can be observed. They are aimed at FKP's marxist-leninist nature, and party unity," said Smirnov in his speech at the FKP distric meeting in Lahtis. There the minority was calling the pace.

With that threat Smirnov was obviously referring to, among other things, the plan for taking an organizational position which general secretary Arvo Aalto supports. In that plan, the term marxism-leninism has been replaced by a more general formulation of a marxist mass party. That question was probably discussed thoroughly between the parties' delegations during the past week.

The threat against party unity which Smirnov pointed out probably was meant as a warning for the statements made in reports and that the majority should clean house within the party.

"The CPSU does not embrace the idea that a power struggle should take place or that there should be a majority and a minority.

"The existence of the crisis depends on certain people's attitudes and their concrete activities," explained Smirnov.

He also maintained that a number of people have spread the allegation that the CPSU is mixing in the business of the Finnish communists. According to Smirnov, that is not true:

"CPSU has no intention whatever of getting involved in the internal affairs of FKP. Judgments have, however, always been given when asked for by the FKP leadership."

He added that the visit by the delegation now is in no way unusual. It is part of the picture over a number of years, just as now and then judgments of the activities of the FKP leadership appear in the Soviet press. Lately Aalto and Saarinen have been criticized. In his speech Smirnov named only one Finnish communist by name. It was Jouko Kajanoja who "appeared positive in his intention to develop party unity."

FKP Promises to Consolidate

The FKP leadership has notified the CPSU that they are doing everything to guarantee that the 20th party congress in a few weeks will proceed in the direction of consolidation. This was announced in a press release which was published on Sunday following the completed Soviet visit.

The FKP leadership announced that it will guarantee that the party congress will lead to the strengthening of the party path on the basis of marxism-leninism, proletarian internationalism and brotherly friendship between the FKP and the CPSU. It further said that the discussions between the parties took place in a comradely atmosphere.

9287

CSO: 3650/199

YOUTH ORGANIZATIONS TO TAKE ROLE IN MOSCOW FESTIVAL

Helsinki HELSINGIN SANOMAT in Finnish 11 Apr 84 p 12

[Text] Finnish youth organizations have announced their willingness to act as intermediaries between East and West in the arrangements for the world festival to be held in Moscow during the summer of 1985.

In return, Finns will be very likely be given a central role in the working groups preparing for the event.

In Finland the organization for the event, the festival association, was put together of various youth organizations. The association's chairman, representative Arja Alho, a Social Democrat, and secretary Merja Hannus, a People's Democrat, went to Moscow to discuss the festival last Monday.

In Moscow, a communique concerning the festival, the first of its kind, was signed. For the Soviet Union, it was signed by chairman Vladimir Aksionov of the KMO, the communist youth organization. The Finns also talked with vice chairman Nikolai Mukhin of the KMO.

The talks touched on, among other things, help from the eastern neighbor for the Finns' own travel arrangements. Also, the size of the official Finnish delegation was one of the topics. Finland will probably send approximately 400-500 official youth representatives in addition to tourists.

The Soviets want to make their festival as broad-based as possible. They are hoping to have participation of the peace movements of Western Europe. Finland's task is to act as the messenger to Western Europe.

8200

CSO: 3617/143

SKDL: FINLAND SHOULD TAKE PART IN REMOVING NICARAGUA MINES

Helsinki HELSINGIN SANOMAT in Finnish 12 Apr 84 p 10

[Text] The SKDL [Finnish People's Democratic League] would like Finland to participate in removing the mines from Nicaraguan waters together with France.

The SKDL leadership, meeting on Wednesday, decided to give the Foreign Ministry a proposal urging the ministry to consider participation in the removal of the mines.

The leadership referred to the fact that the French foreign minister Claude Cheysson has declared France to be ready to remove the mines if some other western European country will participate.

The mines have been placed in the coastal waters of Nicaragua by the "contras," opponents of the Sandinista government, in other words, supporters of the former right wing dictator Anastasio Somoza. According to the American media, the United States Central Intelligence Agency has played a role in the mining.

The SKDL leadership condemned hampering the free navigation and endangering merchant vessels, demanding intervention by the United Nations. Nicaragua wants to take the matter to the International Court of the Hague, but the United States has already declared that it will not honor the court's decision.

In its statement, the leadership also condemned lockouts declared by the local contract delegation and the employers' group and demanded they be rescinded.

At the meeting, Hannu Nieminen of the minority Communists faction criticized SKDL chairman Kalevi Kivisto's ideas, presented in a recent interview, concerning the establishment of a new party if the Finnish Communist Party ends up under minority control at the May party congress.

Nieminen believes that "dictatorial and bureaucratic characteristics" have been emphasized in the SKDL by Kivisto's recent appearances.

CP WILL FIND IT DIFFICULT TO AVOID TAKING ACTION ON RIFT

Helsinki HELSINGIN SANOMAT in Finnish 11 Apr 84 p 2

[Editorial: "FCP Division Would Hurt Party Situation"]

[Text] The May party congress of the Finnish Communist Party is developing into a real mystery drama with a final scene in which the party has to find new solutions to the party rift. This impression is strengthened by the heated dialogue between and among the players, with and without their respective prompters.

The dialogue has received added spice from SKDL [Finnish People's Democratic League] chairman Kalevi Kivisto who made a statement that if the minority emerges as victor at the SKP [Finnish Communist Party] congress, the SKDL will be organized as an independent party.

The statement has created a strong counter-reaction in the SKP minority whose organ considers it a threat and an act of intervention in the SKP's internal affairs "in a manner totally contradictory to the most elementary organizational norms of a democratic organization of cooperation."

Thus speaks a minority--which considers itself an orthodox Marxist-Leninist class--of another organization. However, its own concept of democracy has been rather unusual during the entire 18-year rift.

The essential characteristic of Western democracy is that the minority accepts the will of the majority notwithstanding what the organization is or what kind of voting system is being applied to make decisions.

The SKP minority, on the other hand, couldn't have cared less for democracy or its normal playing rules. It has totally ignored the SKP rules which specifically state that "in spite of differing opinions, the decisions made by the majority bind all members of the organization."

But if the minority stand regarding Kivisto's statement should be taken really seriously, it would portend a decisive change in the situation with the SKP. That would mean that the minority would no longer be meekly listening to its prompter but would be stressing the 1976 Berlin

declaration of Communist parties to the effect that these parties will not interfere in each other's internal affairs.

In thinking about the results of the SKP party congress, the essential question is how various pressures will affect the congress representatives who are "sort of wavering." If, by surprise, it would lead to a minority victory, which is not believable, the SKDL, no doubt, would be very tempted to organize itself into a separate party. In that case, "cooperation between the SKDL and the SKP would become an impossibility," as SKDL general secretary Jorma Hentila has stated.

If we are talking about "what if", it can be added that the split of the SKP into two parties would not be beneficial as far as the party situation is concerned. It would only add to the disunity of the party scene and political unrest, and it would--for example--make government negotiations even more difficult. The choice of one or the other as a partner in cooperation would cause new suspicions and jealousies, and the inclusion of both would be impossible.

In order to amend the impossible situation among the Finnish Communists and People's Democrats, it would be best if the SKP were allowed to decide on its actions leading to unity totally independently.

8200

CSO: 3617/143

PAPER ANALYZES KIVISTO'S THREAT TO BREAK SKDL TIES WITH CP

Helsinki HUFVUDSTADSBLADET in Swedish 11 Apr 84 p 2

[Editorial by Bjorn Mansson: "Kivisto's Threat--A Warning To The FKP
[Finnish Communist Party]]"

[Text] SKDL [Finnish People's Democratic League]
spokesman Kalevi Kivisto's threat to make the SKDL an
independent party if the minority takes over the Communist
Party is to be regarded primarily as a warning to the CP
and especially to the so-called third-line followers,
writes Bjorn Mansson.

Kalevi Kivisto, spokesman for the SKDL, has broken his long comparative silence on the question of the CP's internal situation, and he has done so in earnest. In a newspaper interview over the weekend, he frankly stated that the SKDL should constitute itself as a totally independent party if the CP falls into the hands of the minority. He went so far as to suggest some names for the new party.

The fact that Kivisto hastened to add that his reasoning is mainly theoretical shows that he is a realist. He even claimed to believe that the majority grouping would determine the CP's direction in the future. He indirectly gave his support for a strict line with regard to the minority and indicated that the most hard-line minority element should best leave the party.

The SKDL's general secretary, Jorma Hentila, in a commentary has backed Kivisto's initiative, praised his spokesman for "clarifying the constellations" in the SKDL/CP and emphasized that the CP boss Jouko Kajanoja should understand the gravity of the situation. Hentila also says that he is convinced that the threat of a new party will not have to be carried out.

It is interesting to note the reactions to Kivisto's move on the part of the spokesmen for the two FP factions, KANSAN UTISET and TIEDONANTAJA (see "Today's Discussion"). The positions are perhaps more rigid than ever.

The threat of a new party is hardly very real. The SKDL would certainly not be permitted by its member organizations--especially by the CP--to be converted into a new party in this way. Such a thing could then at most be

founded by Kivisto and his likes as private persons. Kivisto's threat must be regarded primarily as a sharply formulated warning to the Communist Party.

It is entirely understandable that Kivisto views seriously the fact that the SKDL must suffer innocently from the CP's internal disputes. He is also trying to maintain the SKDL's position by pointing out that the confederation's membership has been actually climbing lately, whereas that of the CP has dropped drastically. The SKDL now has more members than does the CP.

One might also wonder what Kalevi Kivisto's socialists and the hardest-line taistoite all have in common. It is not enough to answer: "the Marxist socialist ideology." There are many who pledge allegiance to Karl Marx without having anything else in common. Kivisto's wing seems rather to have considerably more points in common with the Social Democrat's left wing. The drain to the SDP has been going on for a long time in the SKDL electorate.

Kivisto quite correctly points out too that the leftist socialists and communists in other countries as well have gone separate ways.

Those who believe that such a development would be possible in our country too are overlooking at least two important factors. One is the so-called Skog/Simonen followers' fate, which demonstrates that there is in the long run no room for any leftist socialist party between the SDP and CP. The other factor is the Soviet brother party's great influence on the Finnish CP. The Russian CP will obviously attempt to maintain the unity of the movement at any price. It is also unclear what Kivisto actually means when he claims that the minority will take over the CP. Of course no regular and complete power takeover can occur at the party's 20th congress in May. This is shown by the result of the membership vote that after iron-hard supervision only substantiated the current power ratio. He is most likely referring to a situation where Kajanoja and his line receive a renewed mandate from the minority and a necessary number of "defectors" from the majority.

Naturally, it is to precisely these potential defectors (only 23 are required) that Kivisto addressed his warning. These sympathizers of the so-called third line are being squeezed tightly between two shields--first, Kivisto's words of warning about the future of the SKDL and, then, PRAVDA's recent articles backed by the full authority of the Russian CP. In the tug-of-war, Kivisto's threat carries very little weight.

Although the idea seems so unrealistic, if one did carry out Kivisto's line of "theorizing," one must assume that a new leftist socialist party--a little to the left of the SDP--would hardly be able to attract any large number of voters. The group would run the risk of becoming a haunt for frustrated echo socialists and Eurocommunists, recruiting for the most part among the intellectuals. The threat of such a party is hardly taken seriously inside the Finnish CP.

The CP Central Committee is meeting during the weekend to continue preparations for the congress. As firmly fixed as the positions are, the only possibility of a compromise seems to be to continue more or less the same as before. And this is the absolute worst alternative for the Finnish CP.

VAYRYNEN INCREASES CONTROL OF CENTER PARTY

Helsinki HELSINGIN SANOMAT in Finnish 21 Apr 84 p 27

[Commentary by Arto Astikainen]

[Text] The series of spring meetings conducted by Center Party districts concluded last weekend. If the intent is to remove Paavo Vayrynen, who has been at the helm of the Center Party for 4 years, at the party congress in Savonlinna in June, candidates for a new chairman should have been presented at these meetings at the latest.

Not one single competitor came forward and there was not even any movement to criticize or dissect the incumbent chairman, and this is almost unprecedented in the Center Party.

Paavo Vayrynen, 37, will be made chairman of the Center Party in Savonlinna for the third time and what is even more apparent is that this repetition will occur with unanimous approval.

Nevertheless, Paavo Vayrynen confesses that he is quite alone in the party leadership, in parliament, and in the government without close friends and supporters.

The man who has travelled the fast lane from youth leader to become a Center Party MP, vice-chairman, chairman, and several times a minister says: "One cannot really have any close friends in political life. Human relationships in politics are, to a great degree, exploitive relationships, in which people either support or do not support someone on the basis of their own benefit or calculated interests."

The Center Party rank and file calculates that it is worth reelecting Vayrynen. It has no other alternative since no one among the party's youth or its older leaders dares to match his strength against Vayrynen.

"Vayrynen will now be reelected unanimously, but we shall see after 2 years," is the grumbling heard once again in the party.

After the Storm New Initiatives Are Expected

The Center Party entered into an era of impassioned and stormy feelings in the dispute over Urho Kekkonen's successor. Mauno Koivisto's election changed the storm into a panic: The party was caught between the Social Democrats and the Conservative Party, the SDP will take control of foreign policy power, the Conservative Party domestic policy.

When the Conservative Party's election victory did not materialize a year ago and its support turned downward, and Center Party support stabilized, a sigh of relief was breathed in the party. Talk of taking the Conservative Party into the government came to an immediate stop and likewise the public reprimanding of Chairman Vayrynen.

The change of presidents made the Center Party's K- and V-lines unnecessary. Ahti Karjalainen drank himself out of politics, the Poles, the Arafats, and the loss of his seat in parliament silenced Johannes Virolainen's supporters.

The foreign minister's portfolio was returned to the Center Party and its foreign policy position was restored. Vayrynen received an official invitation to visit Moscow and it was also visibly demonstrated in Finland through the mouthpiece of Victor Vladimirov that the CPSU needs and values the Center Party.

There was no damage, Vayrynen is able to continue.

Now that the winds of change have passed, the water is still in the Center Party. In a party in which politics are seen as a game board new initiatives are now being sought.

Those who make public opinion in the rank and file of the Center Party are not following anybody. Since there is no need to work for Jussi, Ahti, Paavo, Heikki, or anyone, each can make his own career, form his own policy, prepare his own positions peacefully and invisibly.

"The situation is quite satisfactory from the point of view of the chairman," states Paavo Vayrynen. "A genuine unanimity exists in the party. There are no serious conflicts even under the surface, but if the leadership should make any mistakes, they will reappear."

Supporters Counted on Fingers of One Hand

Even though Vayrynen's formal position in the Center Party leadership is now strong, he has not become a respected and loved party leader in the last 4 years. To the contrary, he is perhaps even more distant than before.

Many K-line supporters who made Vayrynen the chairman in Turku in 1980 have, for their own part, moved to the side, either because of having one's toes stepped on, having become embittered by the selection of a ministerial post, having been impugned by the lash of a verbal sword, or because of building one's own career.

Five fingers on one hand are sufficient to count Vayrynen's supporters in the Center Party's 38-member parliamentary faction: Esko Aho, Olavi Martikainen, Mauri Pekkarinen, Timo Kietavainen, and Taisto Tahkamaa.

Only one finger is needed for the ministerial faction: Veikko Pihlajamäki, a man whom Vayrynen did not want as defense minister. "They are both just as conservative," is the explanation of this new alliance by a person in the know.

"It is rare in politics that there are such human relationships which are, indeed, based on the same conception, intellectual life, and friendship," states Vayrynen in emphasizing his view of isolation.

Vayrynen continues to bear the burden of an extraordinarily poor public image, which has come about from abrupt changes, the accusations of others, mistakes, travelling expenses, and summer cabins.

For years he has been the dumping ground for everything bad. No one has wanted to believe anything good about Vayrynen. When Karjalainen was being dismissed from the Bank of Finland because of his drinking, the readers' column in the newspaper cried out: President Koivisto, do not remove Karjalainen get rid of Vayrynen!

The Center Party's rank and file is demonstrating a kind of public audacity in electing the country's most frowned upon politician as chairman.

Chairman Creating New Image

Vayrynen was warned 2 years ago at the party congress in Rovaniemi: "If you are not honest and sincere, you will fly like a wooden spear."

Vayrynen has paid attention to this advice. He has purposely begun to change his public image. This has happened in the following manner:

"I have consciously tried to make certain that my actions would not result in an incorrect and negative understanding in public. I have tried to pay more attention to how my actions are perceived by outsiders; thus not just to what I do, but also to how it appears. Previously, there were deficiencies in this respect.

"In addition, I have come to an agreement with Party Secretary Seppo Kaariainen that in the first place the party secretary will issue statements on the party's positions with respect to different issues. In this way I will not have such a high profile as before in controversial political questions. It seems to me that SDP Chairman Kalevi Sorsa and Party Secretary Erkki Liikanen have adhered to such a similar division of labor for a long time already."

Vayrynen also states that he has learned to react to the media in a slightly different manner and he considers that the changes of style in the press have

been a help to him: "Say what it might say, the press has a tendency to follow the current trend. Sometimes it is fashionable to write about someone positively and sometimes negatively."

The warnings of the Rovaniemi field workers and the well-known advice of former Party Secretary Vaino Leskinen also reached their mark: if nothing else works, try honesty. "The only lasting policy has been an unmerciful honesty toward the public. If an attempt is made to give an image which is not correct, it will not be believable or lasting," states Vayrynen in explaining his change of style.

These attempts have not been in vain. At least Vayrynen feels that his position has been essentially alleviated.

In carrying out this new division of labor he played cards with colleagues in the Smolna anteroom during the government's budget negotiations last fall and from there shouted gleefully to Agriculture Minister Toivo Ylajarvi, the Center Party's negotiator: "Has the budget been approved." Statements on television were made by Finance Minister Ahti Pekkala.

If things go poorly for the Center Party in next fall's municipal elections, Vayrynen can prepare for the commencement of a chairmanship campaign, enough opposing candidates in the party have been found since last summer.

Heikki Haavisto, Esko Ollila, Ahti Pekkala, Toivo Ylajarvi, Kauko Juhantalo, and Mikko Pesala were trotted out from the stock of candidates.

However, none of the candidates being considered consented to running against Vayrynen at this time. Vayrynen has not committed any recent faux pas and things have not gone so badly in the party that there would have been an opportunity for changing chairmen.

Chairman Heikki Haavisto of the Agricultural Producers' Association has not even once entered the race for Center Party chairman in spite of numerous persuasive efforts and he perhaps had his last chance 4 years ago in Turku when Vayrynen defeated Virolainen.

Ollila holds an official post in the Bank of Finland. Pekkala is already looking for a dignified peace rather than the disruptive life of party leadership, especially now that there is no need for someone to save the party. Ylajarvi is perhaps a little too lazy for a hard round of campaigning and Pesala will be practicing in Savonlinna in the vice-chairmanship elections.

A probable candidate out of this group is Parliamentary Faction Chairman Juhantalo, for whom support is being sought from the former K- as well as the V-line, all the way to Karjalainen and Virolainen according to rumors.

It is from just such an historical league of old lines that Vayrynen can find an end to his career as party leader if this should sometime become a reality.

Juhantalo has not yet consented to run and he has made no public statements at all about his desire to run. He has admitted that he has been asked "quite officially".

Three Challengers Found for Vice-Chairmanship

The Center Party's organizational leadership is a little concerned by the fact that pressures to change the whole party leadership are being accumulated for the party congress in Lappeenranta 2 years from now.

Since there is now no intention to get rid of Vayrynen, the vice-chairmanship should be renewed in Savonlinna, contemplates the organizational machinery.

Marjatta Vaananen and Ahti Pekkala have been vice-chairmen since 1971, Taisto Tahkamaa since 1980. All three, however, want to continue.

The round of district meetings produced three competitors for the three vice-chairmen: Keski-Pohjanmaa would like Heimo Linna, Etela-Hame would like Martti Pura, and Kymenlaakso would like Mikko Pesala. All are farmers and thus they primarily threaten Tahkamaa, who is also a farmer.

The Women's Organization and Uusimaa will continue to support Vaananen and no one would have the heart to give up Pekkala against his will since Pekkala has kept the party's image intact during difficult times and in addition he is the present foreign policy helm of the old K-line.

The young Pura, 35, would make the Center Party leadership younger, but he would also defeat his former superior. Pura was Agriculture Minister Tahkamaa's political secretary. The desires to promote Pura in Etela-Hame are not without reservations. If Pura becomes a vice-chairman, it will be quite difficult for MP Sirkka-Liisa Anttila, another resident of Hame, to get into the party leadership to represent the power of women in place of Vaananen.

The gleefully certain and pompous rural alliance is selling so well that no one has even considered an opposing candidate to Party Secretary Seppo Kaariainen.

"I am available," announced Kaariainen last Sunday. However, after a couple years the necktie and vest buttons could become so tight that even Kaariainen may have to find another job.

It could be easy for him to promote himself as chairman if Vayrynen leaves of his own free will.

Vayrynen Aiming at Doctoral Degree

It has recently been the custom of young politicians to announce that they will leave their important party post after 3 years. Even Paavo Vayrynen has cautiously hinted at retiring from party life "when a suitable successor is found and the membership wants to bring about a change".

He continues to repeat this carefully thought-out formulation, but he does not want to precisely define when this change will occur.

"In any event I have thought that such a long term as Johannes Virolainen had, 16 years, is not suitable for me. It must be essentially shorter. I have not wanted to give a precise stipulation for the reason that an individual to be elected to the party leadership cannot himself decide when he will come and when he will leave. It is, in the final count, the decision of the membership. Therefore, one must personally be prepared to be flexible."

What could Vayrynen then become, a governor?

"That cannot be ruled out."

A position in the Bank of Finland?

"The tasks in the Bank of Finland are, in principle, similar to those of a governor, for which an opportunity to be appointed could arise. But there are no positions open at this time and even otherwise the issue is not now timely."

Vayrynen has also aimed at continuing an academic career, a doctoral degree.

He took a step in this direction a year ago when he was away from the government for a year. He completed a secondary summa cum laude research work in sociology. He passed one test and began a seminar. He is only lacking a treatise and few tests for a licentiate degree. From a licentiate one can advance to a doctorate by expanding one's research. Presidents in Finland have usually held a doctorate.

Center Party Support

In the parliamentary elections of 1983 the Center Party received a total of 525,207 votes or 17.6 percent of all the votes and 38 seats in parliament. These figures include the votes received by the Liberals, who have become aligned with the Center Party.

In the previous parliamentary elections in 1979 the number of votes for the Center Party was 500,478 (17.3 percent). At that time there were 36 MP's. The LKP [Liberal People's Party], which was still an independent party at that time, received 106,560 votes (3.7 percent) and four MP's.

In the 1976 municipal elections the Center Party received 494,423 votes or 18.4 percent of all the votes cast. Four years later in the 1980 municipal elections the numbers were 513,362 votes and 18.7 percent.

The Center Party holds its congresses at 2-year intervals. The next congress will be on 15-17 June 1984 in Savonlinna.

10576

CSO: 3617/151

VAPPU TAIPALE TO LEAVE CABINET IN DECEMBER

Helsinki HELSINGIN SANOMAT in Finnish 26 Apr 84 p 10

[Article: "Taipale To Become General Director in December"]

[Text] Second Social and Health Minister Vappu Taipale (Social Democrat) will resign from her post in the beginning of December. At that time she will become the general director of the Social Administration. The president appointed Taipale to this new post on Wednesday.

Taipale's appointment went through quite easily in the cabinet session on Wednesday since the SDP promised the Center Party the post of chief of the administrative section of the Social Administration. Kari Kourilehto (Center Party member), the former chief of the administrative section, has been transferred to the Environmental Ministry, and the Center Party will acquire this position for its candidate, Assistant Section Chief Markku Jokela. However, Jokela was not yet appointed on Wednesday.

The general director's position in the Social Administration has been open since the beginning of April when Margit Eskman (Social Democrat) resigned for health reasons. Taipale will not assume this position until December for the reason that she will have to work on next year's state budget with respect to her own section.

The change of ministers in December will also open up an opportunity for the government to make other ministerial arrangements, to which Prime Minister Kalevi Sorsa (Social Democrat) recently referred. According to Sorsa, after the municipal elections the ruling parties could consider an expansion of the government base as well as "its own team in the government".

The SDP has some desires to change ministers' portfolios with the Center Party. The probable objective is the finance minister's post, which has been held by Ahti Pekkala (Center Party member) for 5 years straight. This position could open up if Pekkala were to be made a governor of Keski-Suomi or Oulu, for example, in the fall.

A change of portfolios would thus also make it possible to appoint present Communications Minister Matti Puhakka (Social Democrat) to the position of

social minister, which is being vacated by Taipale. Puhakka is the former chairman of the parliament's Social Committee.

The selection of Taipale's successor and the other ministerial arrangements connected with this will perhaps be postponed until the fall when the government has tested its ability to remain intact in the budget negotiations and in the whirlwinds of the municipal elections.

Liikanen's Find

Vappu Taipale will have been a minister for a total of more than 2 years. She became Social and Health Minister as SDP Secretary Erkki Liikanen's surprise candidate in the beginning of June 1982 when Minister Jacob Soderman (Social Democrat) left to become the governor of Uusimaa. At that time Taipale was an assistant professor of child psychiatry in Kuopio.

At the time Taipale was marketed as a good "find" since she came into the government outside of everyday politics and parliament. This kind of talk has become less since decisions on support for child home care had to be made in a party secretary junta. Now the talk is that a politically experienced individual should be appointed as social minister.

Vappu Taipale does not agree with the assessment that her toes were not stepped on in the decision on home care support. "This was a political formula. We were in close cooperation with the party secretary the whole time."

Transfer Suits Temperament

The party proposed the transfer as general director to Taipale.

"The acceptance of this post is at this time a more significant decision for me than being in the government," states Taipale in justifying her consent to become a general director.

"I would think that my temperament is better suited for a long-term position. I am more of a long-term policy person than one who deals with daily issues."

Taipale believes that she will be able to promote her own policy line in the Social Administration and there are many tasks to be accomplished: "There are an exceptionally large number of quantitative needs in child day care, there are some rather great developmental needs in the care of the aged, and child protection must never be neglected."

Taipale hopes that after 10 years we will be just as far along in social care as we are in health care today.

Taipale does not believe that the merger of the Social Administration and the Central Medical Board will be accomplished very soon, at least not in the near future. "It could turn out that in time this will become a very reasonable thing to do."

Vappu Taipale, a mother of four children, who will turn 44 on May Day, is by education a doctor of medical science and surgery as well as a specialist in youth psychiatry. Last year she was appointed an assistant professor of child psychiatry at Tampere University, but she has not been able to fill this post due to her commitments as a minister.

10576

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COMMUNIST PARTY PRESS REPORTS ON CONGRESS

Meetings Opened to Press

Oslo FRIHETEN in Norwegian 3 Apr 84 p 5

[Article by Tore Fossgard: "An Active and Outgoing Party"]

[Excerpts] For the first time in a long time the national congress of NKP [Norwegian Communist Party] was open to the press. The entire political debate was conducted openly. It was conducted as a "worthy display." Factual debates in which positions on political problems were in focus. This is the summation after the NKP's 18th congress. At the center of the debate was undoubtedly the need for NKP to be a more active and outgoing party.

It was party leader Hans I. Kleven (according to changes in the law he is no longer chairman, but party leader) who in his introduction to the debate brought out these problems.

Kleven also pointed out in his introduction the fact that NKP was in general satisfied with its resolutions, and with publishing them in FRIHETEN. In certain cases there had been individual papers published. But that had ceased, he said.

Following through in getting the party's viewpoints across has often been deficient, said the party leader, who also said that for today's NKP there are no "clever" solutions. Improvement can only come through laborious work, he said.

Political Disbursement

In his survey of the party Kleven pointed out that purely politically there is no doubt that NKP has forged good tools, but they are tools which have not been used skillfully. The means of getting political disbursements have largely been "forgotten." "We have been satisfied with the investment portion,

and have overlooked the market portion. But obviously that has something to do with both planning and our resources," he said.

"We are a small party. But because of what we are fighting for, we do not feel small. Our theory survives its tests, and our strategy is realistic," said Hans I. Kleven, among other things.

The debate following the report (reproduced separately in today's newspaper) was opened by the two vice chairmen Arne Jorgensen and Trygve Horgen.

Not Enough to Proclaim

Arne Jorgensen said that the congress must set a course intended to take NKP out of its anonymous role. We can not wall ourselves in with satisfaction about what we stand for. The leading role of the Communist Party is something one fights for--not something one can proclaim. Daily work for the masses. That is the correct political line, said Jorgensen, and warned against rightist opportunism both internationally and in the national class struggle. The "it is no use" attitude must be fought. We must go out on the offensive. There is nothing wrong with our politics or our ideology. We must support what we adopt. Tepidness gains no respect, he said.

Unemployment

Trygve Horgen especially adopted the situation in the manufacturing industry and the party's tasks. What is happening in this industry is nothing less than a catastrophe. Last year our shipyards had 13 contracts. No ships over 20,000 tons were built. There was a drastic decline in new construction, and even though Norwegian shipyards got all the work in the North Sea, it was not enough to employ the yards which have gone over to offshore oil work, said Horgen, who also spoke of NKP's role in the struggle against unemployment and an alternative economic policy.

He began with NKP's 10-point program against unemployment and the excellent initiative with which the party focused on section 110 of the constitution concerning the right to work.

Party Must 'Raise Profile'

Oslo FRIHETEN in Norwegian 3 Apr 84 p 2

[Editorial: "To Work, Comrades!"]

[Text] In the main political statement which was approved by NKP's 18th national congress over the weekend, it says among other things that the labor movement has rich traditions in the struggle against war and militarism, and that the labor movement has a special responsibility in today's situation, when the danger of nuclear war is more imminent than ever before.

The statement leaves no doubt that it is the United States, which by its constant armament measures and its deployment of new nuclear missiles in Europe bears the main responsibility for the worsening world situation. But, it says:

Norwegian authorities also have a responsibility. They have contributed to the arms race. A special responsibility rests on the Willoch Government, which constantly gives in to the demands and pressures of the Reagan Administration, and takes its place as the United States' most loyal partner in cooperation with the NATO alliance.

According to the NKP there is now much to do to turn around the dangerous developments--to press the Storting and the government to enter into real negotiations to establish by treaty that the Nordic countries are a nuclear weapon-free zone, and also to participate in removing Pershing II and the cruise missiles from Europe--something which would in turn lead to the withdrawal of the eastern nuclear weapons.

The statement also takes up unemployment and the crisis in Norway and other capitalist countries, and the communist response and alternative to that. In the short term the perspective is to limit the crisis and its social consequences for wage earners. In the long term to abolish the capitalist system and bring in a socialist planned economy in which such crises will not take place.

Among the short term measures is the NKP recommendation for a national plan for dealing with unemployment, in which will be spent a sum of 5 billion kroner annually--which, among other things, will be provided by the state failure to dispose of the current foreign debt which is no more than 8-9 billion kroner.

Neither that nor the other short term measures which the NKP speaks up for will nullify the causes of crisis in our capitalist economy. Nevertheless the NKP believes that it is important to have a counter-crisis policy which can alleviate the effects of the crisis for all.

Peace and jobs are the principal points of the main political statement, which also includes the most important of all, mainly /the party as a tool/ [in italics] in the struggle for them. It says the following about that in the statement:

"The party is a tool for the labor movement, a tool for the ideological, political and organizational work which will establish it in better condition to understand the world and solve its tasks. But a tool in itself has no function if it is not used, and used in the right way. The different parts of the party must work as a unit and an entity. It is of central importance for our organizational work to get the organs to work together and follow up the tasks presented. To set out the party's main line in practice is not only an organizational task, but a political task also. It demands

that the members and the representatives be familiar with the party line, that they master a collective, unified consciousness. It demands that the entire party have a unified will to go out more in the Norwegian countryside, actively participate in the national class struggle, at the same time that the party consistently holds fast to the principles of the proletariat international. NKP's profile must be that it also is a party of struggle, an action party--in which the members and the party's organs on all levels participate actively and uniformly in the social and political struggle, so that the party can best begin the work to conquer its most important subjective weaknesses..."

Weaknesses, yes. NKP's 18th national congress criticized itself in that to too great a degree it had been "introverted," something which we will seek to correct in the future. There is a need to strengthen the NKP politically, ideologically and organizationally. Contributions, discussions resolutions and elections at NKP's 18th national congress give cause for courage to press forward and optimism.

To work, comrades!

9287

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PROGRESSIVE'S CHIEF HAGEN ON PARTY FUTURE, TIES WITH COALITION

Oslo ARBEIDERBLADET in Norwegian 7 Apr 84 p 17

[Article by Nils Ottar Ask: "Countering Arrogance with Video"]

[Text] Name: Carl Ivar Hagen. Occupation: Party chairman and Storting representative. Age: 39. Family: Married for the second time. Both he and his wife have two children from their first marriages. Income: About 220,000 kroner gross. Residence: Single-family house in Bestum in Oslo. Car: Toyota, 78 model, purchased at auction. Drinks: Beer, red wine and whiskey with soda. (Egg brandy is too sweet.) Eats: Too much; must fast now and then. But especially appreciates a roast with good fixings. Last read: "Spioner blant oss" [Spies Among Us], but there is seldom time to read anything but documents, journals and newspapers.

Carl I. Hagen seriously considered whether he should leave the Progressive Party and join the Conservative Party after the 1977 election defeat. But today such thoughts are totally alien to him. And he has no regrets that he devoted time and effort on building up the party instead of seeking political influence through the Conservative Party.

While Hagen in 1977 had doubts about the Progressive Party's possibilities for the future, today he feels sure that the party will play an important role in Norwegian politics for years to come. After the election next year he thinks that the Progressive Party will come into the scale-tipping position and be a backup party for a non-socialist government. Then Kåre Willoch will have to clear things with the Progressive Party before the government proposes major political initiatives. Hagen looks forward to being taken more seriously by the Conservative Party than today.

Modesty is not Hagen's distinguishing characteristic. On the contrary. But his self-assurance, which many perceive as arrogance, troubles him somewhat. He has studied himself on video recordings and is aware that he can appear somewhat arrogant. Hagen says that he is consciously working on changing his image so that he does not appear offensive to anyone. This, and the fact that for the time being he has difficulty keeping his weight, are problems he will attempt to rectify before the election campaign begins for real, he says.

When the Progressive Party holds its national congress in Oslo on the weekend, Hagen is counting on being re-elected as chairman. However, he adds that such serious things are not to be taken for granted; but anyway he will be surprised if anyone is a close contender.

Not Dominating

Hagen no longer feels himself to be so important to the Progressive Party as he was earlier. He thinks that his importance to the party has gradually diminished in recent years, and that there are several in the Progressive Party's ranks who could take over the leader's job today. "But it is certainly correct to say that I was of relatively great importance after the election defeat in 1977 and up to 1981. This was certainly due to the fact that I staked everything working for the party. But as far as my position today is concerned, I certainly play no more central a role than other leaders do in their parties. Take the Labor Party and Conservative Party, for example. What would these two parties be today without Gro Harlem Brundtland and Kåre Willoch? Besides, there is certainly the fact that the chairman of a smaller party is focused on comparatively more by the mass media. Then it can easily be construed that you are pulling all the strings."

Disagrees in Some Things

[Question] But in your own ranks, too, you have been criticized for being too dominating, have you not?

[Answer] "Yes, but I am not. I defend my viewpoints as others do, and as party chairman I have greater weight in some senses. But if I had so dominating a role as some would have it, everything in the party's platform would be in complete agreement with my views. However, this is not the case. I disagree with a number of planks in the party's platform, but not with the most important."

[Question] Which planks?

[Answer] "I do not want to say."

The Hagen Type

Hagen is brilliant in his presentation, but is defending a terrible policy, the Liberal Party's Odd Einar Dørum has said. He gives Hagen a 20 in style and a zero in content. Elsewhere, too, in political quarters Hagen is given good marks as a political type, but appreciation for his message is not so great. He speaks plainly and gets right to the point and would be an attraction for any party whatsoever with his eloquence, it is said.

Hagen has in fact been urged to join the service of the party closest to the Progressive Party, the Conservative. Yngvar Stenstad wrote as a political commentator in MORGENBLADET in 1977 that the only thing he could find fault with

with Hagen was that he wasted his energy on something as hopeless as the Progressive Party. He should join the Conservative Party; the Conservative Party needed people like Hagen, he wrote.

Considered Conservative Party

[Question] Have you entertained the thought of going over to the Conservative Party?

[Answer] "It was not so unnatural that Stenstad came with this appeal in 1977. The Progressive Party lost its representation in the Storting. We had had only 1.9-percent support and everybody figured that we were finished as a party. I too was in doubt about what I should do. I must admit that I considered thoroughly whether I should cut out of politics or go over to the Conservative Party after a break. But after serious consideration I learned that there were such basic differences between the Conservative Party and Progressive Party that I would not adapt myself to the Conservative Party. I chose therefore to stake my time and energy on rebuilding the Progressive Party because I could not in good conscience abandon the fight for what the party stood for."

"The Conservative Party is a conservative party which conserves the social democratic ideas the Labor Party has defended. The Conservative Party has no distinct principal viewpoints. The Conservative Party should take up the fight against socialism on the basis of ideology and principles. Instead, the Conservative Party says that a little less socialism than what the Labor Party wants is good."

Willoch Distant

[Question] What do you think about Kåre Willoch?

[Answer] "Willoch impresses me as a distant person. He is a little remote from ordinary people I have talked with. It also seems that he is more of an administrator than a government leader."

[Question] You, by the way, have become Willoch's neighbor after you moved last year from the East Side to a single-family house in the best section of the West Side, Bestum. Have you visited one another?

[Answer] "We are not immediate neighbors, although we live in the same section. There is about a kilometer's distance between our houses. We have also not visited one another. I have not had any occasion to invite Willoch to my home yet. But after the election next year, when the Progressive Party comes into the position of tilting the scales, we will certainly have to have some conversations. However, I figure that these conversations will take place in the Storting or the government office building."

LABOR PARTY PAPER ATTACKS COALITION'S ECONOMIC POLICIES

Oslo ARBEIDERBLADET in Norwegian 10 Apr 84 p 4

[Editorial: "Abortive Policy"]

[Text] We have just gone through 900 days with Conservative-dominated Willoch governments. If there is anything this time has taught us it is what public poverty leads to. The Conservative Party has conducted a policy which has consistently sapped tax revenues for the public sector and thereby also attacked public consumption. This is an open attack on the welfare state. It is impossible to imagine a welfare state without high public consumption. Although the Conservative Party's supporting parties, the Christian People's Party and the Center Party, again and again protest against such a development, they cannot run away from their own responsibility. The Center Party and Christian People's Party are not just the Conservative Party's coalition parties; they are also the Conservative Party's supporting and abetting parties.

ARBEIDERBLADET the other day published a review which shows that the public sector lost 2.5 billion kroner worth of taxes as the result of the deduction system in effect for tax-free bank savings accounts, stock dividends, life insurance and gains on securities.

We see that individual Conservative Party newspapers--including ADRESSEAVISEN in Trondheim--have received these reports with great enthusiasm. In their world of ideas this is a positive development trait. They stand for an ideology which wants the private economy to be strengthened, even if it means fewer opportunities for public activity and public services. Such a policy must of necessity increase the inequalities in the society. The rich get richer and receive better opportunities to solve their problems themselves, while those who have less get still less and have it still more difficult. Many have an intimate acquaintance with this already today.

It is not possible to reduce public budgets by 2.5 billion kroner without its being felt. Each and every municipal and county politician in this country can tell about the despair associated with solving the tasks which have been placed upon local authorities. There is often an abyss between needs and the possibilities which the economies of counties and municipalities permit.

Much of the explanation for the fact that people have to stand in line to enter hospitals and nursing homes can be found in this. This is the reason that we in Norway--one of the world's richest countries--can experience conditions in social care which can be directly degrading. This is the reason that many places instead of building new childcare centers it is necessary to shut down old ones. A reduced public effort also has a good deal of significance for the employment situation. Much of unemployment can be ascribed to this.

The Conservative Party's economic philosophy also has an adverse effect on industry's philosophy. There must be something wrong when industrial concerns, instead of producing, place more and more emphasis on, for example, stock and property speculation. When industry takes steps on the basis of sheer tax motives, this does not strengthen production. On the contrary, it has an adverse effect on employment. This contributes to increased unemployment.

The Conservative Party's economic policy has failed. There is obviously a need for both a greater public effort and a policy which creates an industry with greater interest in production. Both are possible, if the authorities want to.

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CSO: 3639/107

PNV CROSS-OVERS GIVE NAVARRRE TO SOCIALISTS

Madrid DIARIO 16 in Spanish 9 Apr 84 p 8

[Text] The socialist candidate Gabriel Urralburu will automatically become prime minister of the Navarre Government as a result of the votes cast yesterday by three Navarre PNV [Basque Nationalist Party] deputies in defiance of their party leadership. The PNV representatives, ignoring their party assembly's instructions to abstain from the voting so as to further the chances that the AP [Popular Alliance] candidate, Jose Luis Monge, would obtain the Chamber's consent, voted against it and thus prevented the coming to power of a Center-Rightist government. The result is that the socialist candidate, Urralburu, representing the largest of the minority parties, will become the prime minister.

Pamplona--The socialist candidate, Gabriel Urralburu, will, in all probability, become prime minister of the Navarre Government, in view of the position taken by the three PNV deputies, who, ignoring the instructions received by their party's executive body, voted against the AP candidate, Jose Luis Monge, in the voting held yesterday.

In the present Navarre Parliament, the three PNV deputies are wielding a swing vote that can tilt the balance of the election results to one side or the other. Despite the fact that the party assembly agreed last Saturday that its representatives in Navarre were to abstain in yesterday's vote and thus smooth the way for the election of AP's Monge as prime minister of the Navarre Government, the PNV deputies voted against him, a posture they intend to maintain in future elections, for which they will be put to question.

Defeated

The platform put forth yesterday by Monge before the Chamber Plenary was defeated by a vote of 22 against it (19 by the PSOE [Spanish Socialist Workers Party] and the 3 PNV votes) versus 21 in favor (13 by the UPN [Navarre People's Union] and the CP's [Popular Coalition('s)] eight).

If the PVN deputies do maintain their posture in the remaining voting proceedings, as it is expected they will, Gabriel Urralburu will automatically become prime minister, since the PSOE will be the party with the most seats.

This situation was bitterly assailed by the UPN spokesman, Albito Viguria, who in referring to the PSN [Navarre Socialist Party] - PSOE during his remarks yesterday said they would win the prime ministry of the statutorily created Autonomy owing to the automatic clause, but that "This is antidemocratic, since no minority, no matter how large it may be, can impose its authority over the natural Center-Right majority that has emerged from the ballot box."

Prior to yesterday's vote, the spokesmen for the different parliamentary groups expressed their reasons for supporting or opposing the platform. Gabriel Urralburu, the PSOE candidate for the prime ministry, affirmed that the platform was structurally well conceived, "Although it suffers from a tacit relativism from the standpoint of concreteness of action by a Government."

Nevertheless, he said, the PSOE was going to have to vote against it, since this platform could not possibly be financed by the current budget. He also said that the platform was contradictory and ambiguous, and that it made no provisions for scaling down of expenditures despite the fact that it fails to provide for any increase in revenues.

"For all these reasons," he concluded, "we can say that the platform is not even close to being more economical than ours. It contains a flock of very costly provisions that cannot possibly be financed; thus, it is a platform of promises that will not be kept, or at some point revenues will have to be increased."

Inaki Cabases, PNV spokesman, said in the course of his remarks that the PNV deputies would vote against the platform because it was "nothing more than a statement of principles. A statement of promises lacking in concreteness, quantification and delimitation," adding that of the three platforms put forth (UPN, Zubiaur; PSOE, Urralburu; and CP, Monge), it was the worst.

Cabases then severely assailed the attitude displayed by the CP toward the negotiations conducted among the UPN, AP, UL [expansion unknown] and PNV parties during the past 40 days with a view to installing a coalition Center-Right Government in Navarre that would include the Basque Nationalists.

Irresponsible

Cabases asserted that one of the coalition parties, the PDP [People's Democratic Party], and within it its president, Jaime Ignacio del Burgo, had maintained the "irresponsible and intolerant" attitude of not permitting a coalition Government involving the PNV, which resulted in the failure of the talks.

"This attitude was an insidious maneuver that is preventing the forming of a coalition government with the PNV for Navarre," asserted Cabases, "and the fact that Monge has now come forth as a candidate boils down to nothing more than the backing of the PDP's position of inflexibility.

"You," he continued, "are agreeing with those who have refused to cooperate and who have rejected our effort and our offer. For this reason as well, we shall vote nay."

The UPN spokesman, Albito Viguria, said that the platform was perfectly acceptable to his parliamentary group, coherent and well-thought-out, and that, consequently, UPN would vote for it.

However, he devoted his remarks almost entirely to criticizing the PDP's attitude, accusing it of not being liberal-minded, of being intransigent and of not recognizing that in Navarre there exists a pro-nationalist sentiment which "must be accepted from the bottom of our hearts, since it is totally enriching."

Viguria expressed his regrets that all the nationalist forces (including Herri Batasuna) are not members of Parliament, since, after all, "They are all Navarrese, and those who voted for them are Navarrese."

9399

CSO: 3548/237

NATIONALIST ISSUES IN CATALAN POLITICAL IDENTITY

Barcelona AVUI in Catalan 12 Apr 84 p 17

[Article by Ricard Huguet: "Issues for a Debate"]

[Text] The national identity, the normalization of the Catalan language, the Statute and the Catalan people are, according to our collaborator, the four basic areas on which a coherent and practical plan should be made with the agreement in principle of all political forces, so that "Catalonia and its people will be able to look to the future in a framework of illusion and hope."

Since the electoral campaign has just begun, it will be hard to avoid the flood of affirmations, replies, slogans, messages, etc., that will fall on the head of the long-suffering citizen-elect. The means of communication will revitalize in time to set the different candidates so that debates may be held, which most of the time are absolutely sterile. Of course it should be recognized that almost all Catalans would thank us for knowing the opinion and thinking of the different candidates to the premiership of the Generalitat on a series of issues which now are quite current, which involve in some way the future of all our people, and to which a reply would need to be found. An extensive, respectful, constructive debate for settling the issues basic for Catalonia, is not only proper, but much needed. A clarifying debate centered on four big areas--national identity, normalization of the Catalan language, the Statute and the Catalan people--could constitute the basis for the working out of a total program--shared by all the Catalan political forces--for the national correction of Catalonia.

If all these political forces came to achieve a plan carried out with enough coherence and practical sense to make it, independently of what the outcome of the elections may be, Catalonia and all its people could begin to regard the future through a framework of illusion and hope.

Some of the issues grouped into the four areas we indicated earlier could be:

1. National identity

Why are we a nation? What are the most characteristic features of our identity? What today are the dangers that most beset our personality? What can we

contribute to understanding and brotherhood of all the Hispanic peoples and of all the other peoples of the world? How shall we bring about Catalonia's having its own voice in the concert of nations?

2. Normalization of the language

How can we bring about a greater presence of Catalan in all the areas of everyday life? Why do the organizations, institutions, delegations and companies dependent on the central government do almost nothing to contribute to the normalization of Catalan? How shall this situation be changed? How long will this absurd war against TV3 last? How shall we measure objectively the progress of the Catalan language and take the appropriate steps so as to achieve at every moment the anticipated levels? When will we be able to say that Catalan is no longer a subject of discrimination among us? How shall we stimulate the most indifferent towards a full linguistic normalization? How shall we increase the presence of Catalan in all the means of communication?

3. The Statute

What needs to be done to conclude very soon the process of transfer of all the responsibilities established in the Statute of 1979? Are the latest accords between the Generalitat and the Madrid government regarding the assessments of the transfers correct or not? If they are not, what should the correct assessments be? How can we prevent the constant impugning by the central government of the laws of the Parliament and the degrees of the executive council of the Generalitat? How shall we prevent the undermining of the autonomy of Catalonia through the basic laws with a more or less harmonizing, centralizing approach? What is happening with the Security Board? Why do we not have a more numerous and fully recognized autonomous police force? What can one do in the area of social welfare with the responsibilities that presently the government of the Generalitat has? Can the framework of the Catalan economy be influenced or can it not with the current statutory responsibilities? What about the problem of unemployment? How and to what extent does the current Statute need to be improved or reformed so as to change it into a useful enough instrument for achieving full self-government?

4. The Catalan People

What steps could contribute to merge all Catalans, whatever their origin may be, into a single people? What plan, idea, thought or will could galvanize the Catalan people towards active fusion into a single social body? How shall we teach the love and sharing of the most characteristic spirit of Catalonia to all of today's citizens? How can we get all the people of Catalonia to participate in an authentic project for national improvement?

I do not know if any serious debates held with rigor and most democratic respect on these issues or on other similar issues could be profitable or not from the electoral point of view. What I do believe and am convinced of, is that Catalonia and all its people have probably achieved some valuable points of view, without which it will be very hard to achieve progress, without which it will be costly for us to build a worthwhile future, without which, I would venture to say, it will be hard for us to continue being what we are.

BIOGRAPHIC PROFILE OF GENERALITAT LEADER PUJOL

Barcelona AVUI in Catalan 15 Apr 84 pp 8-9

[Article by Antoni Batista: "Elections to Parliament: Heading the List"]

[Text] Jordi Pujol, president of the Generalitat of Catalonia, is up for reelection heading the list of Convergence and Union. Jordi Pujol has always been faithful to the cause of Catalonia. He was one of the organizers of the Palace deeds on 19 May 1960. Later on he was judged at a court-martial and imprisoned. In the first two legislatures he was representative to the Spanish Parliament and in the year 1980 he came to the presidency of the first autonomous institution.

"We are not an improvisation, we are not a fashion, we are not the product of a political or electoral moment. We are a people that wishes to save its identity and its history, but who, at the same time, are preparing for the year 2,000."

That summer of 1942 was not easy, Berrendero was winning the tour of Spain, in the Tivoli they were showing "The Vengeance of Don Mendo" and Spencer Tracy triumphed with "Captains Courageous." In Berlin, however, "unanimous approval was given to the speech by Generalissimo Franco, announcing the establishment of the new Cortes," on the occasion of the commemoration of 18 July, according to the contents of a teletype of EFE. That summer of 1942, Jordi Pujol began the first paragraph of the living book "making a country." He was sweating out grammar and learned to write in Catalan. We are and we will be, but we already were.

Jordi Pujol i Soley was born in the year 1930 in the Josepets quarter of Barcelona. His father belonged to Republican Left; but the main influence, the reputation of an uncle that spent the postwar in prison, was prolonged. And that of a pair of books, "The feeling of country," by Maragall, and the "Praise of Catalonia," by Valles and Pujals.

After the defeat--on one occasion Creix, the ultimate policeman, questioned him about the term--the boy Pujol attended the German School to go on to a private academy. Subsequently, without much careful planning, he studied the profession which he has practically never practiced, medicine.

Jordi Pujol only became Dr Pujol when he was imprisoned, although he did not have much knowledge of trauma since, if some Hippocratic discipline had drawn him a bit, it was pharmacology. At the start of the 1960's Jordi Pujol directed the Fides-Cuatrecasas laboratories, which had become his father's property.

"Catalonia is a naturally poor country: it is not a country with an oversupply of minerals or water, or which has land adapted to agriculture. It is a hard country, yet past generations and we have turned it into the tenth industrial region of Europe, and we have made it in a field like the plastic arts, one of the first countries in the world."

The clandestine life of Jordi Pujol began at the Abat Oliva Commission and at the Torras and Bages group. Since at the Faculty of Medicine his cultivation of Catalanist penicilliums did not find the ideal medium, he had to export it to the Central. There he got in touch with Joan Reventos, Josquim Adroer, Francesc Casares, Josep Maria Ainaud and Pere Figuera, who became mentor and main strategist in the actions in which Jordi Pujol participated, basically in Catalonia painting on walls, in the difficult prespray period.

At the same time the young Pujol, very concerned to serve from a Christian standpoint, did missionary work in the Els Altres Catalans District from the Virtelia brotherhood. It is in this period that Jordi Pujol met the woman who later became his wife, Marta Ferrusola. Their courtship took place on a Lambretta, which carried them "where the city changes its name." Pujol has always very much agreed with Candel regarding the analysis of immigration and the latter defended him when in 1977 the Lerrouxist forces attacked him in articles.

In the year 1952, "On bended knee, Lord, before the Tabernacle, which keeps what remains of love and unity," "of fate in what is universal" he hung the last flag in one of the acts of Eucharistic Congress. So that the flag was only a "banner," they got them cutting and sticking Spanish flags. In 1958, Tisserant went to Montserrat and Pujol and his friends, in six-eighths time, sang "The Holy Thorn."

Abbot Escarre and the cardinal rose and, with them, the cardinal's miter. The church is the traditional infrastructure for anti-Francoist acts. Until, after the campaign against Galisoga, the Catalanist operative command held by Jordi Pujol selected as scenario the Palace of Catalan Music, seat of the Catalan Orpheum.

"The Catalan resurgence is not only administrative; therefore, it is not a petition to decentralize but the aspiration to attainment of a political power that will be the expression of our national reality."

On 19 May 1960, with General Franco in Barcelona and several ministers of his at the palace--Solis, Ullastres, Alonso Vega i Rubio, four "heavyweights"--Josep Espar and several others began "The song of the flag," expressly forbidden on that occasion. Serious incidents and subsequent arrest, tortures and summary court-martial with sentencing to 7 years and a day, 3 spent at the prison of Torrero, in Saragossa. Shortly after the arrest, an

immigrant worker was arrested by the police owing to the fact that he had hung posters with the theme "Freedom Jordi Pujol." It was the immigrant communist leader Cipriano Garcia, who was to be a deputy in Madrid.

The time in jail did not separate Jordi Pujol, however, from his idea that had arisen shortly before a flag was raised over his singing, with the vaulted arches of Domenech and Montaner serving as amplifier. Jordi Pujol wished to make a country and began by setting up a bank. Catalan Bank: the meaning outweighed the words. The Dorca d'Olot Bank is the primitive lever that moves the world and the first offices are located on the road to Provence. In the year 1964, Jordi Pujol left his high office at the board of directors of the laboratories and became advisor of Catalan Bank, Bank of Gerona, Mercantile Bank of Manresa. . . . And had the option to decide on boards of directors as important as those of some highways and textile businesses.

In the cultural sphere, he was a driving force behind Rosa Sensat, "Oriflama," EDIGSA, the BCD (Barcelona Design Center) and the work that he likes to give as a present on solemn occasions: the great Catalan Encyclopedia.

"Catalonia must be victorious. Everybody knows that, on any occasion, when there's a choice between Catalonia and something else, I will give up that something else."

From 1973 when he recited publicly his political credo at a lecture to ESADE, until 8 May 1980 when he took possession of the presidency of the Generalitat, 7 years of intense and practically uninterrupted political activity went by. Jordi Pujol liked to dine with his family--including his seven children. Before, the Tropeziens was his general headquarters at the dinner hour and although he often achieved his desire to relax at home, too. The presidency of the Generalitat has taken time away from everything, even sleep. Jordi Pujol goes to sleep late, is very active on behalf of Catalonia and usually hears the 9 am bell ring in the courtyard of the orange trees, with his first coffee. Only in the summer does he have time to practice "full time" his cherished role as husband and father. And to go, every so often, for long bike rides, which together with soccer, "we are and will be members of the Barca," are his favorite sport.

To put the electoral campaign on a good footing--not to the right or to the left--he likes to say that he is where he has always been and that it does not make him blush to remember what he said in times gone by, "something that very few politicians can do." To prove it, we have replaced the classic titles with definitions by Pujol on what his life is: "Triumphant Catalonia will again be wealthy and complete." The first two quotations are from 1981 and the second from 1976 and 1977. Pujol is, very probably, the man who has most often defined Catalonia. He has always said the same thing but never has engaged in self-plagiarism.

12448

CSO: 3548/243

FRAGA URGED TO INTERVENE IN BASQUE PRESIDENTIAL SCANDAL

Madrid ABC in Spanish 17 Apr 84 p 15

[Excerpt] The serious and anomalous situation created by the president-elect of the autonomous Basque Government, Carlos Garaicoechea, by having his swearing-in in advance of what was formally stipulated by the constitutional terms, and by having altered even the precise formula defined for the act, creates in turn a unique situation for the forces that make up the constitutional spectrum. If what Mr Garaicoechea did may be understood as a specially complete test of his strategy of ambiguity regarding the acceptance of national unity and the constitution, what the PSOE and Popular Coalition may go and do now must not consist in any way of ambiguous speech. The reasons or arguments of the circumstantial policy can never prevail over the reasons and over the principles on which any national policy is based in any Western democracy.

It seems fairly obvious that the Right-Center will not be able to win the elections without an agreement with the Basque and Catalan nationalists. The societal model they share is the same (the PNV [Basque Nationalist Party] is to the Right of Popular Coalition), and although nationalist fanaticism may manage to dampen this agreement in some cases, there are surely more than enough reasons for agreement from that perspective. This, however, is not a problem which is about to come up or present itself, in line with the call for some general elections to the Cortes. It is a problem which already exists, and not precisely from the instant Mr Garaicoechea was prematurely sworn in. The problem comes from the issue of the flag. The chain of disclaimers and disaffections to symbols and forms keeps growing link by link. And this behavior is not the result of the general feeling of the Nationalist Basque Party nor of the rest of those voting for nationalism in the autonomous Basque elections. This judgment results from the concrete mentality of some figures in the PNV who will always opt to give power to those who are not the Center or the Right. What occurred in Navarre was eloquent: they did not hold back their votes.

In spite of the terror that ETA [Basque Fatherland and Liberty Group] imposes, separatist nationalists are very few. Their pedigree does not at all resemble that of most of the Basque nationalists or that of the Catalan nationalists, either. If Mr Pujol has everyone's flag next to that of Catalonia in his office of president of the Generalidad; Mr Jose Tarradellas, his predecessor,

always carried forward the name of Spain every time he asserted the cause of Catalonia. With interlocutors of this nature and condition, the political mending of the Right-Center may be produced. There is no issue of principle involved.

It would suffer, however, if the conservative liberal opposition were now to withdraw in the face of the new problem created by Garaicoechea assuming outside the constitutional limitations the powers stipulated by the constitution and the Statute proceeding from it. The disloyalties and ambiguities cannot be ignored. If the government must defend legality, the opposition must speak out in clear, precise, categorical terms, not through any middlemen, but through its leader. It must do so for basic reasons and out of pure pragmatism. Those votes the Center-Right got by its ambiguity, and others besides, would be lost, from the other side of its electorate. Fraga must intervene.

12448

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COMMENT URGES AUTONOMY STATUTE BASED ON SPANISH CONSTITUTION

Madrid ABC in Spanish 29 Apr 84 p 19

[Editorial: "Finding a Solution for the Autonomies Problem"]

[Text] Spain has been a nation for 500 years. For 3 centuries it was a major world power. It is also a very diversified country. Whether we like it or not, there is not very much homogeneity--cultural, historical and even anthropological (customs, traditions, family structure, mentality and attitude toward life)--among the different communities which make up Spain. At the same time Spain was the first nation in Europe to be unified, and its historical essence, as such, has no parallel in any other country of the West. It is simply ridiculous to place its unity in jeopardy as we approach the third millenium.

A centralized organization such as that of France is not feasible in Spain, nor do we have the unity of culture that exists in Germany. Our historical-political structure is more like that of Italy, or even Great Britain. There are national identities, like the Basques and the Catalans, which have not been erased by time. This can be viewed as a tragedy, but also as a mark of variety and richness. In the beginning, the framers of the 1978 Constitution sought to shape it to the special contours of this varied country, to produce something workable. They tried to acknowledge some inescapable realities--among others, this: It is impossible to have stability in Spain without appropriate status for Catalonia and the Basque region, and effective autonomy for Galicia. We are Spaniards, Cambo had said, but we must acknowledge the fact of our differences. Without an agreement on that, Spain is ungovernable--as it is today.

Some people with good intentions and very little knowledge of history wanted to defuse the danger of these realities, adding to them various unnecessary fabrications which were neither desired or perceived by the people. Various cases of false regional consciousness were created, which have manifested themselves in continuing incidents, sometimes childish, sometimes irritating. This was a fundamental error, which brought with it petty political maneuvering and inexcusable superficiality. If the fiction had been well designed, if the stunt had worked, we would have found ourselves in the end in an unnecessary but acceptable situation. But it did not happen that way. The invention got out of control of the inventors. And that is because Article VII of the

Constitution was drawn up badly, very badly. It sought to proceed, as it were, without the least sense of the state. In 1978 there was not that firm idea of the state which Ortega or Azana held in 1932. There were plenty of voices both inside and outside the constitutional assemblies which warned of the dangers of the course which was being followed. Many of those voices expressed themselves in the pages of this newspaper, but all to no avail. They were only a passing squall. Now that 5 years have passed, however, we find ourselves in a situation characterized by these factors: continuing confusion among the public authorities, faced with the disarray in Spanish society; the need for constant appeals to the Constitutional Court, which has become overloaded in its capacity to resolve them (conflicts are piling up, more problems are emerging from the ones which are being solved); the unseemly haste with which they are trying to set up a regional administrative system--duplicating services which already exist on the central level; and an upsurge in the fiscal power of the substate administrations, which doubles and triples taxes because of the need to cover their expenses. As a result of the five points mentioned above, there is uncontrolled growth of the cost of public administration, accompanied--paradoxically--by paralyzation of services. All this--not to mention the absurd string of stories about that new proliferation of ministers, counselors, parliamentarians, public defenders, and cars with official flags (which casts discredit on the dignity which should surround the power of the state), the irresponsible euphoria of the political class (which sees in the autonomies the possibility of new jobs) and the fear of the faithful public, who see in them a new round of taxes.

In the face of this unworkable confusion, which was quite predictable, there was an attempt to reshape the autonomous process, which took the form of the LOAPA [Organic Law for the Harmonization of the Autonomies Process]. Apart from any other significance, this was a public acknowledgement of the error which had been committed: if Catalan and Basque autonomous maximalism could be assumed to be a sickness, it had spread into an epidemic, and the LOAPA was coming to put it in quarantine. But one mistake is not resolved by making another, and it turned out that the supposed constitutional "interpretation" was not adapted to the constitution.

From then until now an erratic and alarming course of events has taken place. The government does not know either where it is going or what road to take. These days voices are being heard who speak of a new "theoretical reflection," and the government party is repeatedly inviting us to enter into an open federalism. This is a new plunge forward which makes no sense. It is neither a constitutional solution--another day we will explain why--nor, above all, is it a solution which conforms to the reality in Spain.

The historical, political and constitutional reality is that there are two communities in Spain--and only two--with a very distinct consciousness of identity. To this must be added the special case of Galicia. The two historical communities need a special "status" of a political nature which will respond to their aspirations and to the popular support which maintains them. Within this "status", however, the unity of the Spanish nation must remain abundantly clear, without any kind of ambiguity: unity of sovereignty, unity of the state, unity of political and administrative supreme power derived from

the constitution, economic unity, equality of rights and duties for all citizens in every part of the nation. This means that "historic rights" are not a charter of legitimacy, that no Catalan state and no Basque state exist, that regional sovereignty does not exist. The only legitimacy possible is that which derives from the Spanish Constitution, which the nation--one and indivisible--has bestowed upon itself. All this must be very clear, and there can be no concession on these points, not even in symbols or in ceremonies.

The other regions of Spain, with their special characteristics and peculiarities here and there, need a deep and authentic decentralization, which covers their needs for autonomous administration, which restores and returns the political power to its original holders--the citizens--and which above all increases efficiency of management and improves the bad government which we endure. To do this we do not need parliaments, or autonomous police, no higher courts of justice or public defenders. Let us return to reality. And if this return, which Spanish society is clamoring for today, should require the reform of some statutory regulations, or even reform of Article VIII itself, the prudent--and courageous--thing to do would be to face the facts, and not to fall into the temptation of once again running away from reality, a dangerous habit which leads nations into ruin.

This must be done calmly, and over a period of time. Perhaps it would not be a bad idea to put such a delicate task under the shelter of the crown, the symbol of the unity and the permanence of Spain. The topic is very important, and will extend not only beyond the life of this government, but of this generation. It would be well worth the trouble to set up a commission, perhaps under royal auspices, for whatever time may be necessary--even if it takes some years--one composed of suitable members, who could offer the nation some proposals for finding a remedy for the problem of the autonomies.

8131

CS0: 3548/248

FRANCE MOUNTING DRIVE TO EXPORT ARMS TO SWEDEN

Stockholm SVENSKA DAGBLADET in Swedish 16 Apr 84 p 6

/Article by Erik Liden: "French Billion-Kronor Offensive: Sweden New Target For Weapon Exports"/

/Text/ Marseille (SvD)--The French defense industry is aiming at the Swedish market. Helicopters, missiles, hydrophones and other weapons are being offered for billions.

In the news most recently is a deal for antitank helicopters. The French company Aerospatiale is hoping for a contract before 1 July. It would mean that Sweden would get its first 20 antitank helicopters delivered during 1985-86.

The study to determine which helicopter best suits the Swedish Army for use with the antitank missile TOW is now underway in the Defense Ministry's materiel department, and contract negotiations have opened with the eight companies that have submitted bids. The project is calculated to cost at least 400 million kronor.

Important Order

These first orders are important for the helicopter companies, which are struggling with a soft market, because the army is to purchase several helicopters in the long run for both antitank defenses and transport. The air force needs new lighter rescue helicopters, and during the 1990's both the air force and the navy helicopters are to be replaced.

Close to 100 new helicopters are to be purchased over a 10-year period by the Defense Ministry--a transaction of almost 2 billion kronor.

Competition is Stiff

The management of Aerospatiale knows that the competition is very stiff, but the expectations are great.

"We believe we know that we and the American company Hughes are in the best situation, but the decision will take a month," they say at the factory outside Marseille.

Aerospatiale is Europe's largest manufacturer of helicopters with 8,000 employees. With 12,000 employees, only Sikorsky in the United States is larger. Aerospatiale, which uses modern assembly technology, is the world's leading exporter of helicopters.

A Squirrel

The French helicopter type that is being discussed is called Ecureuil, which means squirrel. The engine is manufactured by Turbomeca in Bordes in southern France, a factory with which Saab has experience, since the engine in the air force training plane SK 60 is manufactured there. Even at Turbomeca, the management agrees that Aerospatiale is in a good position in the Swedish helicopter project.

The army has waited for many years for an antitank helicopter, and the missile sight has already been ordered from Saab Combitech in Jonkoping. An increased investment in antitank defenses is part of the army's plan for the future, and, in spite of the vexing financial situation, resources have been set aside for a new helicopter.

Invest in Sweden

Several French defense companies are now investing in Sweden. Recently Thomson--the radar and electronics company--has supplied hydrophones for mine clearance vessels in Landsortserien which are to be used for submarine pursuit. Several are to follow in December.

Eventually, the hydrophone can be used in helicopters as well.

The missile company MATRA--also involved in the satellite project Ariane, where Sweden has interests by way of Volvo Aircraft Engines, Saab and Ericsson--is trying to sell the pursuit missile Magic for the JA 37 Viggen and the JAS-Gripen. According to international tests, the missile is better than Sweden's present Sidewinder, but so far more expensive.

France, concentrating more than ever on export cooperation, believes that a breakthrough for Magic would also result in a competitive price. Bret, MATRA's general director, has been in Stockholm and negotiated with the air force.

9992

CSO: 3650/184

NATIONAL INTERESTS AT ODDS IN FUTURE FIGHTER DEVELOPMENT

Opportunity, Risk

Stuttgart FLUG REVUE in German Mar 84 p 3

[Editorial by Klaus Mueller: "Europe's Fighters for the Year 2000: Chance and Risk"]

[Text] In the next few months there will be a tough battle concerning the European Fighter 90, also called FEFA (Future European Fighter Aircraft). What is at stake is the division of the DM 40-billion-program among the five partners.

This could become a touchstone for European cooperation: Admittedly, the air force chiefs of the five potential partners have agreed on joint requirements for Fighter 90, which outside the German borders carries the somewhat dainty-sounding abbreviation FEFA (Future European Fighter Aircraft). But so far the governments have neither set out a financial framework for the program nor have they designated a principal industrial supplier, and the enterprises themselves do not have a precise idea of how the work could be distributed in development and production. Apparently, there are even very divergent ideas about the long-awaited program, as was indicated by FLUG REVUE's research in the partner countries. Thus, there is likely to be a violent tug-of-war among the participants before the project is given a green light.

In any event, the risk still seems great that conflicting national interests will cause the European program to founder or at least that individual partners will try to go it alone with future fighter aircraft. With that would be squandered a number of opportunities, which may not become available to the Europeans so soon again. Both sides would be the victims, customer and supplier alike: The military would lose the cost-saving effect which standardization and manufacture in large numbers would offer them. European industry would also have to renounce the technological incentives which such a demanding program means to everyone involved. The taxpayer would then have to pay a much higher bill; national squabbling about major projects always drives up the development costs and consequently the unit price. Furthermore, smaller series eliminate the learning effect, which helps to keep down inflationary trends during the course of production.

There remains the possibility of using a model already available in the market for the duties intended for Fighter 90. The result could still be a lower unit price by the time of procurement. First, however, it is questionable whether this model could fulfill its duties far into the 21st Century or would not one day have to be adapted to the altered demands at great expense. Second, European industry would lose precisely those highly advanced jobs, on which it depends more than ever in the interest of national economy. It could also lose its connection with the most highly advanced technology. What that can lead to has been painfully experienced by many branches, for example the watchmaking, photo or electronics industries, in the last few decades.

Five Partners Seek Shares

Stuttgart FLUG REVUE in German Mar 84 pp 8-14

[Text] "That was the easy part. The hardest is still ahead of us," was the comment by Gen Bernard Capillon, head of the French Air Force, on the agreement by the five for the requirements of the new European fighter. He himself, of course, had decisively prepared this settlement in a conversation with his German colleague, Air Force Insp. Gen. Eberhard Eimler.

So far Paris has unequivocally preferred a German-French cooperation. Now the government has changed its opinion; it accepts a program which binds the five partners. One of the reasons is finances: In view of its many defense obligations and its weakened financial situation, France would be hard put to go it alone with a fighter aircraft for the 1990's.

Although Paris, in a deviation from its original plans, has agreed to a priority for the interceptor duty, it remains to be seen how far this willingness will last, as soon as the partners and the armaments directors begin to work out detailed plans for the concept. It was already said to be difficult enough to reach agreement between two participants regarding the German-French anti-tank helicopter, writes FLUG REVUE correspondent Jean-Marie Riche from Paris. How, then, are the negotiations going to develop between the five partners? A compromise could possibly be found under pressure from the politicians, but whether as early as this summer seems questionable.

Rivalries Between London and Paris

Time is of essence, of course. If the new aircraft is to be put into service in 1995, the decision must be made no later than the second half of this year: The development of a weapons system of this complexity takes about 10 years.

Meanwhile, work on both demonstration aircraft--the ACA by British Aerospace and ACX by Dassault-Breguet--continues. The ACA is to receive modified Rolls-Royce RB 199 engines, the ACX will get GE 404 engines, which are very similar to the M.88 at present under development by SNECMA. In France one is certain that the experience gained from these two model aircraft will influence the concept of Fighter 90.

Talks are already under way concerning possible joint development between Rolls-Royce and SNECMA. In this connection it became clear that the French did not want to leave the hot section of a jointly developed engine to the British alone. On the contrary; all partners, even MTU [Turbo-Union?] in the FRG and Italy's Fiat, would participate in the modern technology.

There is no prospect of an agreement as yet between the fuselage manufacturers. Earlier cooperation programs between Dassault-Breguet and British Aerospace have left a bitter aftertaste. As a result, there have been no new contacts between the two enterprises. Each company believes it is particularly suitable to be the principal supplier for Fighter 90. The results of the ACA and ACX development could provide the answer. France's effort for independence in this area should at least not be underestimated, in our correspondent's opinion. Difficulties are also evident when it comes to equipment. An acceptable solution could certainly be found here, for instance along the lines of participation by all partners in the program regardless of who wins the competition. In any event, here as well a tough battle can be expected among the companies.

The British air and space industry regards the chances of cooperation with less scepticism than the French, reports FLUG REVUE correspondent Arthur Wallis from London. In view of the--from the British aspect--successful British-French programs such as the Jaguar or Concorde, a remark made by Jacques Mitterand, president of the French industrial association GIFAS, that "the British industry has regained its strength and efficiency, a new and perturbing development" was startling.

British Still not Agreed on the Power Plant

British Aerospace, at least, regards the Airbus A-320 and the new Fighter 90 as one package: If the company cannot participate in the A-320 due to a lack of financial support from the government, its negotiating position for FEFA would also be undermined. However, that would only happen if BAe were to aspire to the role of principal supplier. In fact, the British would be happy if 25 to 30 percent of the components were allotted to each of the three main partners, France, Germany and Great Britain. Unlike France, which rejects an organizational form such as the multinational Panavia consortium, the British would like to see something similar established for FEFA as well.

Rolls-Royce is apparently also aiming for a completely new power plant for the new fighter. The combination of Turbo-Union--which is building the RB 199 Tornado power plant and holds a 40-percent interest in Rolls-Royce--and French SNECMA is regarded by the British as powerful enough to beat U.S. power plant manufacturers out of the picture. British Aerospace is naturally leaning toward equipping the new fighter with RB-199 and other systems proven in the Tornado, as well as with an automated version of the F.2 Foxhunter radar for the one-man cockpit.

Overall, the British industry regards Fighter 90 as vital in order to be able to keep their development and production teams together. The Tornado

development work is almost concluded; only a few modifications are necessary once in a while. But once trained technical crews have been broken up, they can only with difficulty be brought together again. The government in London is also pursuing the project with involvement and decisiveness. It has given British Aerospace and Rolls-Royce the task of seeking contacts with other major firms such as Messerschmitt-Boelkow-Blohm [MBB], Dassault, Aeritalia, SNECMA, and Turbo-Union and to report on the results at the end of March.

The British search for a new fighter aircraft began as early as 1969. It resulted in the ECA, or Eurofighter, concept which was eliminated for reasons of cost, however. In July 1983 Minister of Armaments Geoffrey Pattie picked up the thread in Parliament: "For its duties in Central Europe the Royal Air Force needs an advanced, maneuverable fighter, in order to be capable of meeting the anticipated air threat in this sector in the 1990's and afterwards."

The first public declaration about reawakened interest in a future fighter makes it clear that the Royal Air Force is now looking for a successor to its Phantoms rather than for a replacement for the Jaguar, as the previous Air Force Request 403 had indicated. With that the objective has also changed: What is being sought is a fighter which can take on the numerical superiority of the Warsaw Pact and which can also attack ground targets.

Air Marshal Sir Keith Williamson, commander of the Royal Air Force, has indeed also described the agreement on joint requirements for the FEFA as "a first important step in the direction of a new aircraft, which is of extreme significance to the Royal Air Force." He is extremely encouraged by the progress achieved so far and the spirit of cooperation shown by the five participating nations.

There remains the question of financing, which is giving not only the British headaches. Admittedly, the British government could raise part of the money by reducing its interest in British Aerospace, which at present amounts to 48.3 percent.

Italy approaches the solution by the five with a certain amount of reservations: After Paris put the studies for the ACA--Italy's participation was never officially confirmed--up against the ACX, Italy has been tending more toward renewed cooperation with Great Britain and Germany, as was already shown with the Tornado, reports Silvio Lora-Lanvia from Milan. To Italy the program means a new level for the studies being conducted by Aeritalia and the staff of the Italian Air Force since the end of 1982 on the British ACA project. At the moment the Italian Air Force has published its demands for a fighter to replace the Lockheed/Aeritalia F-104S at the end of this decade or at the beginning of the 1990's, at the latest. These requirements were recently confirmed in their final form: good climbing performance and long range. Maximum speed and maneuverability, on the other hand, rank lower in priority on the Italian wish list. In the opinion of the Italians, the ACA's design corresponds approximately with these requirements.

For about a year Aeritalia, in agreement with the two partners British Aerospace and MBB, has been studying the feasibility of those ACA components which might be allocated to the Italians: lifting surfaces, flaps and control systems. Development orders for the positioning systems of the front flaps were recently awarded to Microtecnica.

Italy Tends Toward a Purebred Fighter

In its fundamental requirements, at least, the Italian Air Force tends toward a pure fighter aircraft, as does the German side, while the French and British would give priority to a double role. Final participation in the FEFA program is nevertheless tied to a number of conditions. Thus, Italy's industry is aiming for at least the same development and production share as for the Tornado, in order also to profit technologically from the project. In addition to its other programs, the Italian government is having a difficult time purchasing the number of new fighters which corresponds with the demands of the Air Force. The development results must, after all, follow the requirements of the Italian Air Force planners. Italy has at least made prior arrangements for the transition: Beginning in 1985 the F-104's will be equipped with new avionics and air-to-air guided missiles of the Aspide type, so that they can fulfill their tasks until the beginning of the 1990's.

Although individual details are as yet unknown, the decision by the Spanish government to participate in the project of a future European fighter was met with satisfaction. Various interest groups had already with great interest followed the development of the ACE program, which was later abandoned in favor of two competing projects, the ACX by Dassault-Breguet and the ACA, proposed by the governments cooperating on the Tornado.

The efforts have now been combined. Although France's new attitude that it would rather participate than compete was not accepted without surprise, a climate of optimism reigns, since the five nations participating in the consortium--Germany, France, Great Britain, Italy and Spain--are members of the Atlantic Alliance and, with the preliminary acceptance of Spain, belong to the European Community. What is involved is therefore the most significant effort by the Old World to cooperate in the field of aeronautics.

From the viewpoint of the Spanish government and various groups within the party in control, which never concealed their support for the Tornado in the FACA program, the decision signifies a great success in its effort to integrate Spain into Europe. The Spanish government program expresses the clear objective, that the large investments connected with the procurement of modern weapons systems should be compensated for as much as possible by the acquisition of know-how in modern technologies, by the creation of jobs and possibly by export revenues.

Spain Would Like to Have a Say Even in the Development

But as of today it has not been possible to reach this goal. Due to a number of unfortunate circumstances no government has been in a position to involve the Spanish industry in a European program other than what was already under way, and then in general only with major concessions. In the Airbus case, perhaps the most characteristic, the participation of CASA [Construcciones Aeronauticas S.A.] could only be achieved as a reciprocal action for a purchase obligation by Iberia, the percentage of which was not in proportion to the CASA contract. With Dassault-Breguet the agreements were somewhat more satisfactory, if the unfortunate case of the Mercure commercial aircraft is disregarded. Spanish industry produced important components for the Mirage III, F-1, and 2000 as well as for the Falcon 10. The Spanish industry is also satisfied with the compensation contracts with McDonnell-Douglas and Boeing for their DC-9, DC-10 and B-727-200.

But an industry such as the aeronautics industry threatens to go into a decline if it is limited to building under license or the production of subcontractors' parts for other constructors, who by definition will always be ahead of them in the development. Furthermore, in the present situation not only the Spanish industry but Spain itself as customer and user has never been able to make its voice heard in the development of an aircraft. The moment todo so has arrived.

The evidence for this lies in the result of the FACA program. The Spanish Air Force was not heard in the development phase for any of the aircraft which were included in the final selection. Therefore, there was nothing else to do but to choose the aircraft which met the most requirements and which under the given political and economic conditions simultaneously was the least bad.

Despite that, the initial bottom line is very unfavorable for the Spanish industry: On the one hand are the high costs and the smaller number of F-18A's purchased, on the other is the urgency of putting them into service, which made it impossible for the plane to be produced under license by the Spanish industry. The technology transfer brought about by the assembly of a few components will be far below what would have been desirable with an order volume of 3 billion dollars.

Long-Range Plans for the First Time

The success of the Spanish aeronautics and space industry, essentially of Construcciones Aeronauticas S.A. (CASA), in the last 25 years is based on the production of aircraft marked by simplicity of construction, such as the C-212 and the C-101. Only now are modern technologies being applied to the CN-235 type and the further developed version of C-101, as far as electronics and composite materials are concerned. But the Spanish industry has reached a sufficient degree of experience in order to build perhaps a light transport plane or a tactical aircraft.

The Spaniards therefore believe the time has come to speak to the European industry as equal partners. Today no manufacturer has enough economic power to develop all by itself for example a tactical aircraft with new technology. But in cooperation with other partners the conditions can certainly be met.

To the Spanish Air Force the new tactical fighter will mean a culmination of its process of adjustment to the European allies. Above all, for the first time its opinion will be confronted with those of the other air forces. To be sure, we are talking about a long-range program, since the F-18A has not even been in service yet and precisely the most modern of the tactical aircraft in use today, the Mirage F-1, would be the ones replaced by the future aircraft. But the Spanish Air Force has begun to plan its programs in 10-year periods. This is one of the aspects which promises a great deal for the future.

UK Armaments Minister Comments

Stuttgart FLUG REVUE in German Mar 84 p 14

[Text] Geoffrey Pattie, the British minister of armaments, expressed himself optimistically to FLUG REVUE on the program's chances:

"It is encouraging that the air force chiefs of France, Germany, Italy, Spain and Great Britain have agreed on what capabilities they expect from the future European fighter aircraft. It shows that they are able to find a joint view of the best way to meet the threat, with which we must reckon in the mid-1990's."

"Together with other governments we are already studying the viability of a joint program in order to develop and build a similar aircraft. The industry has been called on to initiate research studies and has therefore been informed about all previous developments."

"It is still too soon to say that such an aircraft can be developed and built. However, if the governments decide on a new European fighter, there will be a considerable amount of work. With the progress of the project, I anticipate further meetings with my European colleagues."

11939

CSO: 3620/236

NEW SHIPS, RECONDITIONING PROGRAM TO AID IN COMBATING SUBS

Oslo ARBEIDERBLADET in Norwegian 7 Apr 84 p 10

[Article: "Worse for Submarines"]

[Text] Tromsø (NTB [Norwegian Wire Service]): Hunting for foreign submarines will become more efficient when the navy in the years to come replaces part of its materiel, the new inspector general of the navy, Rear Admiral Bjarne M. Grimstvedt, said at a press conference in Tromsø on Friday.

The inspector general, who is on his first inspection trip in North Norway, could tell that rearming of the seven escort vessels, i.e., of the navy's five frigates and two corvettes, has now been undertaken. The entire reconditioning program will be carried out within the range of 340 million kroner, or half of what a new frigate would cost. The program, for one thing, will aim at outfitting the frigates with new advanced sonar sets for submarine hunting. In addition, the vessels are to be outfitted with a variable-depth sonar set.

New Vessels

The navy has recently entered a contract with a West German shipyard for the construction of six new submarines. These are to gradually replace the old smaller submarines of the Seal class. In connection with the contract, the question has been raised of whether the main base for submarines should be moved from the Håkon Corps near Bergen to the Olav Corps near Tromsø. Grimstvedt asserted that it will not be a question of moving the main base, but that some expansion will take place in the Olav Corps in order to put it in a position to receive the new and larger submarines.

The navy has a difficult materiel situation today. The average age of combat vessels is 20 years, and it is more than double this for the coastal artillery's combat facilities.

Overdue

"We are overdue as far as maintaining a balanced and up-to-date materiel structure is concerned, but we have hopes for a gradual replacement of most elements in the naval defense system," Grimstvedt said.

The inspector general could also say that during the 1980's three new forts are to be built, and two of them are to be in North Norway. The first is already under construction at Meløyvaer outside of Harstad, while the second is to be built at Lødingen near Narvik. The third fort is to be located in Trøndelag.

8985

CSO: 3639/107

SERRA TO NORWAY NATO, WEAPONS PRODUCTION TALKS

Madrid YA in Spanish 29 Apr 84 p 14

[Text] Next Tuesday, 1 May, the Spanish defense minister, Narciso Serra, will travel to Norway on an official 2-day visit, at the invitation of his Norwegian colleague, with two main purposes: to continue the contacts with the NATO member nations and to attempt to open markets for the Spanish military industry, which is so much in need of such efforts. Serra intends to talk with the Norwegian defense minister, Anders C. Sjaastad, concerning both countries' participation in the frigate for the 1990's project, headed by Spanish Ship's Captain Ojeda. Included among the other proposals carried by the Spanish minister in his portfolio is the BMR tank and the by now well-known Aeronautical Construction Aviocar.

An important aspect of the trip is the increased information that Serra wishes to obtain from all the countries in the Atlantic Organization, which up until now have been the leading factors in his visits: the United States, Greece, Italy and France. To break this Atlantic-oriented tradition, at the end of the year he will visit a European country outside the Alliance; however, the Defense Ministry was unwilling to specify which one to us.

In the talks that the defense ministers of the two countries will hold, they will analyze the areas in which there could be greater cooperation; because it is almost non-existent at present. As on previous visits to European countries, Serra has expressed an interest in learning about the operation of the Armed Forces and the Defense Ministries, as well as in visiting the main units in each country.

Narciso Serra will travel to Oslo after the conclusion of the 2 May Council of Ministers meeting, and has not planned any official act for that day. On Thursday, he will hold talks with his Norwegian colleague, and in the afternoon he will go to Bergen, a city located on the Atlantic coast, where an important naval base is located. Unlike what is customary on such trips, the Spanish defense minister will make the visit accompanied only by his executive adviser for international affairs, Carlos Miranda, and the office chief of the general director of armament.

On 4 May, he will go to Troms, a city located in the northern part of the country, to make a tour of the major installations that the Norwegian land army

has in this city, in which the forces whose main mission is to drive back a potential Soviet attack are concentrated. A dinner tendered by Serra for his Norwegian colleague will put a final end to the visit.

The Spanish minister will not hold meetings with King Olav, nor with the prime minister, Kare Willoch, who is ill; but he will meet with leaders of the Norwegian Labor Party during his brief visit.

It would be very difficult for the arms relations between Spain and Norway to increase greatly, because years ago this country decided to refrain from manufacturing many types of weapons and to rely on just a few. With this strategy, they have managed to become leaders in the naval surface missile, "Penguin."

2909

CSO: 3548/245

PSOE LEADERSHIP TO ASK FOR 'FREE HAND' ON NATO INTEGRATION

Madrid ABC in Spanish 29 Apr 84 p 23

[Text] At the congress to be held in November, the PSOE [Spanish Socialist Workers Party] will request that the party leave the government a "free hand" to decide on whether or not to become integrated into the NATO military system. As ABC managed to learn, this proposal will be the one put forth in the position paper or papers (it is considered certain that there will be some clearly Atlantist position paper). The government will only be asked, in the event that it opts for integration, not to do so without compensation, and entry into the EEC will be given particular consideration.

Among the various internal movements or proposals, there is clear consensus that "there is no need to draw blood regarding the issue of NATO," and that "any demagoguery that could divide the party or put the government in a critical situation must be avoided." The only opposition anticipated is that from some trade union sectors of UGT [General Union of Workers], because the Socialist left will never concentrate its strategy on bringing up the controversy over NATO for discussion. The apparatus will lay the groundwork with a tactic involving doubts and constant appeals to undramatize the debate; and it must not be forgotten that prominent Socialist leaders such as Enrique Mugica or Luis Solana are strong advocates of integration. There is in the party a clearcut conviction "that the government will have no recourse" other than to enter NATO completely, "because Calvo Sotelo has already put us in."

Since Felipe Gonzalez arrived in the presidency of the government, and automatically froze the process of Spain's integration into the NATO military organization, the party's traditional positions have been losing strength. Pablo Castellano claims that this force of the "new ideas" has now proven sufficiently influential to succeed in postponing the referendum. Galeote, for his part, maintains that he himself is not sure now of whether or not it is feasible for our country to leave NATO, and that, "as in my case, this holds true of many party members. This doesn't mean that, after the restatement that will have to be made in the Congress, the final conclusion will be the same as that of 1981," as Galeote observed. Nevertheless, day by day the resistance among the PSOE rank and file members could become stronger. Felipe Gonzalez himself, who has personally counted on "NATO, at the outset, no," will now have to resort again to his personal charisma in an attempt to convince the rank and

file of the necessity of leaving the final decision in his hands, for the good of the country.

A few days ago, the minister of foreign affairs, Fernando Moran, claimed that the referendum would not be decisive, "because the Constitution only confers a consultative status upon it." The Socialist Left, through its top-ranking representative, Pablo Castellano, has stated that there will be no repetition of what happened at the party's 28th Congress, at which all the discussions were confined to "Marxism yes, Marxism no"; which in this instance might be "NATO yes, NATO no."

A priori, the Socialist Left does not intend to place special emphasis with a view toward the 30th Congress. Castellano claims that, although he fears that position papers "inspired by Felipe Gonzalez" may be submitted, which would represent a radical change with respect to the resolution adopted at the previous congress, "For the time being, the Socialist Left will not pressure the government and will confine itself to backing the traditional PSOE position of requesting Spain's neutrality toward the two military blocs and its departure from any NATO agency." Carmen Garcia Bloise, in the same conciliatory tone, has already declared that the problem of NATO will not become a tragedy for the party.

The arguments that will be voiced to the rank and file in December, to ask for a large amount of maneuvering room in the decision from Felipe Gonzalez, will be inspired by the problems that would be caused for Spain and, specifically, for its aspirations for integration into the European Economic Community, by the fact of refusing to participate in Western defense.

EEC and NATO

"Refusing to join NATO is not the same as leaving NATO. The latter is far more difficult in the present state of world tension, with a bipolarization that is becoming more marked every day, and when there is an attempt to join EEC at any cost." This is an argument that is heard constantly in circles close to the government.

Nevertheless, the key may lie in EEC. Entry into the Common Market (backed unanimously by all the parties, including PSOE) appears as exchange currency for helping the members to swallow entry into the Atlantic Alliance. The Socialist executive body has observed in the government the difficulty involved in combining the departure from NATO with a relatively fast (within this legislative period) entry into the European Communities.

2909

CSO: 3548/245

PRELIMINARY FINDINGS ON LATEST KARLSKRONA SUB HUNT REVEALED

Stockholm DAGENS NYHETER in Swedish 19 Apr 84 p 6

[Article by Sven Svensson: "Supreme Commander's Analysis Ready Soon: 550 Reports on Submarine Chase"]

[Text] Defense has received about 550 reports on suspected submarines during chases in Karlskrona. Approximately ten cases are difficult to explain in any other way than that mysterious underwater activity occurred.

This is the purport of the analysis of submarine chases that Supreme Commander Lennart Ljung is now compiling. The Defense Committee meets 27 April and might receive a preliminary report of the Supreme Commander's conclusions.

The ten hard to explain indications originate from information acquired by hydrophones and from stationary mines. In several cases, there are two different systems which furnished information. In some cases, there is information from three independent systems. The information makes it difficult to arrive at any other conclusion than that there was mysterious underwater activity.

The government's preliminary judgement is that it cannot yet be 100 percent certain that the indications provide sound proof that there was submarine activity. The explanation is that Sweden lacks the technical experience to interpret the indications.

The bulk of the material that is being used during the submarine chase in Karlskrona is intended for the deep sea and not for a harbor region as is the case at Karlskrona.

Also, a portion of the materiel that was purchased has proved to be less effective. However, the sonar devices that Defense purchased in Finland to investigate sounds functioned splendidly.

For identifying engine sounds, a whole "library" of sounds is necessary. The experience has shown that engine sounds vary during different seasons and at different depths. An area with islands and rock-surfaces can also produce echos.

The Supreme Commander's analysis group is working full time in an attempt to arrive at some conclusions that might clear up the ten "mysterious" instances. The government still has not received a report concerning the analysis group's conclusions. If possible, some preliminary results could be reported when the committee of foreign affairs meets at the end of next week.

The supreme commander's new report is to be examined in its entirety by an independent group of military men from all branches of defense and is not expected to be ready until the middle of next month.

9992

CSO: 3650/176

SUB INTRUSIONS, POLISH EVENTS SPUR RECRUITMENT OF WOMEN

Stockholm DAGENS NYHETER in Swedish 22 Apr 84 p 5

/Article by Gunilla Tengvall: "Spring Is on the Way for Lottas /Women's Military Service/: Girls Coming In Drove"/

/Text/ After the decline during the radical 1970's, the lottas have found it easier to recruit young girls during the past several years. The lottas will celebrate this with festivities in Kungstradgarden in Stockholm on 6 May on their 60th anniversary. Seven of them are marching on this day in the main guard.

What is a lotta?

"The lotta is the mother in the field," says a former draftee. "A highly respected comrade. No one flirts with lottas. These are gals in the ground forces people can relate to."

"Lottas are usually older," he continues. "With their peaceful motherliness, they are the opposite of us soldiers. Though it is a kind of manly motherliness...."

What is a lotta actually?

"Well," says a somewhat older former draftee with memories of the German 1920's:

"Women in uniform. Black garters and a uniform cap...."

"Everyone knows perfectly well what a lotta is," says a woman with the reds in the 1960 leftist movement. "One who is on the side of the military against the people. One who serves pea soup to soldiers before they are sent out against striking workers."

Coming in Drove

During the end of the 1960's and the beginning of the 1970's, lottas had a difficult time with recruiting. But since 1977, the young girls are coming in droves again--3,800 new ones last year. There are presently 56,000 lottas in Sweden. There were 93,000 before the decline in 1965.

"The recent increased fear of war in our part of the world has caused present day young people to perceive the Swedish military as a defensive force. The radicals of the 1960's saw it more as a potential aggressor. Chili and Vietnam have been displaced by Poland and submarines."

This is the way Birgitta Persson of the Swedish Womens Services explains the fact that it is now easier to recruit again.

"I became a lotta in 1977," reports Annette Fagerros, 24. "A buddy took me along to an information meeting. I quickly became interested and joined the corps."

"I got some gibes from my classmates at the Bandhagen Gymnasium. They said: 'Are you going out and fight now?'"

Annette Fagerros chose to become an air force lotta. She had earlier wished to become an airline stewardess, but without German this was impossible. Now she works in the office of an insurance company.

Major portions of her free time go to the "lottery." The voluntary work as an information lotta and her own further training make up the largest portion of her free time. Annette has come up the ranks as a corporal and sergeant and is now a first sergeant. Four days a year, she has to take refresher courses.

Annette has a wartime assignment at an Air Defense Group Center /LGC/. She works there compiling intelligence on aviation traffic.

She explains:

"We mark Swedish airplanes with blue arrows, unknown planes with orange arrows and enemy planes with red arrows. The information then goes on to the military air command, to the radar interceptors."

And they shoot down the enemy planes?

"Yes, I hope so."

"The best thing about being a lotta is that we have so much fun in our courses and meetings. One meets so many different women of all ages, from all social classes and from all over the country.

"There is lots of giggling in the barracks at bedtime. We women giggle no matter how old we are."

Who is a natural leader in a group of women?

"Actually, it's the one who talks the most," says Annette, giggling a little.

"We have very good fellowship," she continues, becoming serious. "This might be due to the fact that we know that we must be able to depend on each other completely if war comes."

Peace and Freedom

"I don't believe that little Sweden will be drawn into a war in my lifetime though. Any possible wars will be waged over our heads. But /if/ [in italics] things get serious, it's comforting to know what I'm supposed to do and which people I'm supposed to work with. I am not a pacifist. I want to have both freedom and peace. And so it's perhaps best to arm oneself for war. This is awful logic of course."

The fatherland, the national hymn and the Swedish flag--what do the symbols mean for you?

"Feeling for home, Sweden, happy that we have it so good. That we are able to think and believe what we wish. Something like that."

And the uniform?

"I might think a little more about how I behave when I'm in uniform. Not let it show if I get angry at someone who cuts in front of me in traffic. On the other hand, no one cuts in front when I am in uniform. Because the uniform inspires a bit of respect."

Annette Fagerros approves of the new uniform.

"The old one was designed in the 1940's, when all women wore a corset. No modern woman has such a waist. You can breathe and eat in the new one."

Beginning this year, the lottas must be saluted.

"But we haven't been able to learn, no matter what we do. There is also talk about whether we should be addressed with our military rank, sergeant in my case. Now we are greeted as 'lotta.'"

Isn't it a little romantic being a lotta? Do the draftees and reserve officers ask you out? Isn't the whole thing a little like "An Officer and a Gentleman?"

"Possibly for the lottas who work in food service and have the womanly assignment of preparing food," says Annette. "But not for us who do the same things as the soldiers. We become colleagues. But there are certainly a few gals--very young ones or those who are a bit older and feel like old maids--who join the corps with such expectations...."

9992

CSO: 3650/184

FINANCIAL, PERSONNEL PROBLEMS OF TRADE UNION FEDERATION

Vienna PROFIL in German 16 Apr 84 pp 20-23

[Article by Walter Schwarz: "What is the Giant Doing in the Crisis?"

[Text] Membership is going down, revenues are stagnating, and solidarity is often just a word: The OeGB [Austrian Trade Union Federation] colossus is developing cracks.

Ternitz, VEW [United Electricity Works] plant, main entrance. A wet and cold wind pulls at the already faded AK [worker commission?] election campaign posters. "Destruction of jobs, reduction in social welfare benefits--defend yourselves!" reads one of them. And this is what comes along with the fighting slogan and the bare statistics: Semperit--2,700 employees; today: 1,700. The Schloeglmuehl papermill: 1979--360 employees; today: closed down. Brevillier-Urban: 1979--650 employees; today: 200. VEW: 1970--4,100; "now only 1,885 are to be retained."

Provided that is true. "Nobody knows when the negotiations will be held; you cannot find anything out here. The shop committee says: no; all they tell us is that something should be done," a worker complains. The management is supposed to be unfit and the labor union is no good either. "The labor union should do much more and that is something we have known for the past 15 years. After all, the union has enough money. Not just for strikes but in general. They ought to finance an enterprise; they could easily release a couple of hundred million per year."

But can they? "The OeGB is not poor but taking money from the solidarity fund for enterprises in trouble is out of the question," retorted Alfred Stroer, the managing secretary of the 1.65-million trade union giant. "Even if we had billions, we could not put any money into any enterprises," says the OeGB finance bigwig.

The OeGB undoubtedly does have billions--but of course they are not readily available on call. The economic crisis shook the giant, although it did not start it tottering.

Membership has been going down for the past 2 years; last year--the final figures are not yet available--there was a drop of 10,000.

Revenues from membership dues are stagnating because payment discipline at the factories is flagging. In many instances, solidarity is just another word; the crisis is much closer to these people than the principle behind the OeGB to begin with. Here are some of the key words: VOEST [United Austrian Iron and Steel Works, Inc.] social benefits, which even forced a chancellor to his knees, steel crisis along the route of losses running from Ternitz all the way to Upper Styria.

The monument erected in memory of Anton Benya, the long-term president for the past 20 years, is getting to be all scratched up. Critical labor union officials openly speak of the beginning of the end of the double-presidency era.

Rupert Gmoser, the Styrian labor union thinker and SP [Socialist Party] National Council deputy, said it with his usual keen style: "The OeGB must practice more basic democracy, more co-determination at the work place. Economic democracy does not mean a democracy run by officials. In program terms, we need a reconciliation between economics and ecology; the concerns of the peace movement must be taken seriously in the industry-policy area. We cannot keep on passing out candy. But that is already a task for the next generation; this can no longer be the task of the current president. I am saying this without malice: There has to be a changing of the guard, at the end of this OeGB term, but that cannot be done in a jerky fashion."

Long-time official Alfred Stroeer puts it in rather relative terms: "I am one of the oldest officials. Believe me, the OeGB is not in any crisis and, if it is, then, compared to other countries, it is a relative thing. Just think of Belgium, France, and Great Britain--and once-rich Holland, my dear colleague, has more than 800,000 unemployed. You have no idea what goes on everywhere else--and here, in Austria, they want to strike because of the layoff regulations. Of course, one thing is true: In recent years, we did lose tens of thousands of industrial workers. Naturally, the people in Ternitz are a little bit bitter."

A so to speak professionally embittered person--former OeGB president and the man who caused the hitherto biggest SPOe [Austrian Socialist Party] crisis in postwar times, Franz Olah--of course, speaks quite bluntly now in OeGB terms: "We no longer have any solidarity; all we have is bare egotism," as it was put by the one time OeGB bigwig who today leads a rather withdrawn retiree life in Baden near Vienna.

"Over the past decade and a half, our social benefit and wage policy was completely wrong; it did not create more balance but instead it brought more imbalance. Social privileges for individual enterprises, such as the nationalized enterprises, the banks, and the insurance companies, were absolute folly; the socially weaker groups are increasingly falling by the wayside. Today all of them are prisoners of their own demagogy. The real-wage hike formula was still being used when things were already going downhill economically. This kind of social policy shakes the people's confidence. We lived from day to day without thinking about conditions such as they were."

And so Olah thunders: "The OeGB has become a motionless giant. The OeGB and the government are now one. The trade union federation has become a mummified, totally immobile machinery, a distribution instrument for politics, economy, and social security. Here there is one fellow who has five jobs and tries to tell the people that they ought to cut back. This kind of accumulation of offices and jobs is absolute mischief. A central shop committee member belongs in an enterprise, not in the National Council. It is absolutely incompatible to have a man hold the office of minister and at the same time be a labor union chairman. This runs counter to the idea of separation of power; that is a threat to democracy. After their meetings, do these people have at all any time left for thinking and for reading something?"

And Olah continues in fury: "In what way does this stratum of officials still differ from the bourgeois bunch? They have gotten used to the many perks, to the parties, to the rare-wine-drinking gatherings. In my day, I did not even know what the inside of a bar looked like; like an idiot, I worked 14 hours a day."

Now, is the giant caught in the crisis?

If you like, you can charge former OeGB and SPOe bigwig Franz Olah, as we said, with professional bitterness and with having been away from the old-time controls for many years; but there is one thing that cannot be denied and that is that things are also beginning to bubble in the OeGB. "Polarization is bound to grow, contrasts are becoming more severe, when growth rates decline," commented Styrian hot-head Rupert Gmoser. It would be wrong now to awaken envy complexes. If anything, Gmoser blames his people for "intensification of the redistribution debate." "The united wage policy was adopted as a basic guideline already at the Fourth Federal Congress of the OeGB in 1959; now we will see what this is all about. During the good years of economic growth, the labor unions forgot too much about their ideological backup and key words, such as solidarity, became foreign vocabulary."

Little Rupert from Styria uses the term "not meaningful" in describing the 600-million social benefit package which Franz Ruhaltinger, the central shop committee boss at VOEST, with his powerful steel-industry backing, managed to squeeze out of the board of directors and the chancellor. Instead, he wants something else by way of an action expressing solidarity, that is to say, he wants the package, which was put together by Bruno K. on the sunny island of Mallorca, placed on the negotiating table in its original version: More taxation of overtime hours and, as for incomes of more than 20,000 Alpine dollars, there is to be a bigger tax bite also out of the 13th and 14th monthly paychecks. "But, if you please, that is my personal opinion."

So, there are cracks in the crisis.

Conflicts are becoming more acute now that the happy days are over. Can the giant OeGB still react fast enough in intellectual and material terms? "We are a service enterprise, primarily; we are not an economic outfit," says treasurer Alfred Stroer.

"Our educational effort is not filtering through all the way down," even Stroer, a loyal follower of Benya, had to admit. "We cannot rally 30,000-35,000 factory shop committee members every week." In spite of well-built education facilities. The desolidarization of the trade unions is "an education problem--in terms of character guidance" also for Rupert Gmoser, the Styrian booster. The only black [conservative] vice president of the OeGB and Christian Labor Union leader Johann Gassner believes that the question as to whether solidarity is now crumbling and whether a kind of "solidarity based on envy" is now developing, represents the "labor union's crucial and survival problem in the first place." This is where the Christian labor unionist does not want to be politically noble and hold back: "If this thing breaks up, that could help the political clarification of the FCG [Federation of Christian Labor Unions], but it would not solve the cause."

Instead, OeGB members should be convinced that they can help decide issues. Labor union decision-making processes should be made more visible. Said Gassner: "The member says to himself, perhaps I might some day need legal protection and social welfare facilities but politically there is no participation and the whole thing is run by the SPOe delegation in parliament."

Guenther Engelmayer, the federation secretary of the delegation of Christian Labor Unionists, openly speaks of "labor union fatigue" and "declining labor union consciousness" as the consequence of a change in functions: De-industrialization, combined with declining membership in the area of the conventional labor unions, led to a labor-union de-ideologization. Said FCG Secretary Engelmayer: "Today, labor union benefits and services are merely being consumed on an increasing scale. The labor union membership dues are increasingly becoming a well-calculated insurance premium."

Is this premium still "paying off" if the main issue indeed is the labor union as a whole? That is the material aspect of "labor union fatigue." Specifically: When the chips are down, what can the OeGB really supply in terms of strike money? What has really been hoarded in the legendary solidarity fund whose internal life only very few of the OeGB initiated at the labor union summit are precisely familiar with?

"The solidarity fund is the OeGB's strike kitty. This strong financial backup--the iron reserve of the labor union--is the best guarantee that the most effective labor union weapon, the strike, needs to be employed only rarely in Austria," says the official OeGB explanation for the fact that the last available balance sheet of this monster federation (1982) showed a rather tired figure of 25 million Schillings as "allocation to the solidarity fund." Compared to the OeGB's annual revenues of 1.53 billion Schillings, that comes to a rather very modest 1.6 percent. By far bigger chunks for example are spent on membership care and personnel costs (28.1 percent) or for the contribution shares of the 15 individual unions (16.8 percent) and for organization and information (15.4 percent).

During the 1960's, 40 million Schillings were still channeled to the solidarity fund. This means that the officially reported allocations alone today come to several hundred million Schillings which slumber in the accounts, well-invested at BAWAG [expansion unknown] which is owned to the extent of two-thirds by the OeGB (about one-third is held by Konsum, the commercial giant). OeGB treasurer Stroeer moreover knows all about the good credit rating of his boosters and joiners: "If the OeGB happens to need 500 million today, it will get them. Every bank would give us hundreds of millions, no questions asked. We could stage any strike."

And Stroeer, Benya's crony, also knows all about the moral power of the labor union: "We do not have to stage a general strike at all and if we do, then it will certainly not last long." Of course there is one thing the managing OeGB secretary denies: "The solidarity fund certainly does not contain 6 or 7 billion Schillings, as some people maintain sometimes." On the other hand, FCG Secretary Engelmayer comments rather dryly: "There is certainly more than a billion there."

The "fighting machine of the workers" (according to OeGB publicity chief Hans Feller) gets not only the officially reported allocations but, slumbering in it, are also the financial resources of the restitution fund of the free labor unions which was taken over in the past--and that amount is unknown. Of course: Several millions are each year taken out of the legendary strike kitty for other purposes because the OeGB's financial resources are liquid only to a limited extent. For example, for the labor union press, specifically for the rather expensively published OeGB newspaper SOLIDARITAET. As for

the bottom line--including the "bank guarantee" of prospering BAWAG (balance sheet assets as of 31 December 1983: 123.4 billion Schillings)--there would appear to be 2 billion Alpine dollars for strike money and that should certainly be enough for several weeks.

The actual assets of this gigantic federation of course reside in its capital assets and in the enterprises. The official asset balance sheet as of 31 December 1982 shows capital assets (land, buildings, etc.) amounting to 1 billion Schillings. The labor union federation operates "along capitalist lines" in the banking sector via BAWAG which, in turn, among other things, participates in Wuestenrot, Konsum Bank-AG, Neue Reformbau, Steyrermuehl Papierfabrik AG, and some other enterprises. OeGB nets are also thrown spider-like in the publication field.

As a business concern, the OeGB publishing house shows 100-percent or majority partnerships with the Elbemuehl Printing Plant, the Europa Publishing House, the highly-active Electronic Data Processing Company, and also the IFES opinion research institute. Finally, the OeGB also owns 10 percent of the Austrian Popular Welfare Jupiter AG. The remaining 90 percent belong to the Vienna Municipal Insurance Company which, we are told, will within the foreseeable future also swallow up the one-tenth held by OeGB.

Rising personnel and administrative costs are forcing the OeGB bigwigs to start cutting. Individual labor unions, such as the Textile Worker Union, the Restaurant Worker Union, and the Agricultural and Forestry Workers are supposed to move into OeGB headquarters in downtown Vienna and the labor union headquarters building on Karlsplatz is to be sold.

Conservative labor union official Engelmayer credited the mostly red OeGB bosses with a realistic eagerness to save money: "The OeGB assets are not to be found in Swiss banks or in deals with Eastern countries."

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CSO: 3620/295

INDUSTRY LEADERS UPBEAT DESPITE RECOVERY'S LIMITED GAINS

Hamburg DIE ZEIT in German 6 Apr 84 pp 25,26

[Article by Richard Gaul: "The End of Sniveling"]

[Text] "Simplistic optimism," was the reproach launched by Otto Wolff von Amerongen, president of the German Industrial and Trade Association (DIHT) against the Federal Chancellor who asserted German industry's "unimpaired competitiveness." That was in 1980, and the Chancellor's name was Helmut Schmitt. Helmut Kohl, now Federal Chancellor, in office for 18 months, simply notes that "the German economy is definitely competitive in many sectors"--and this time managers and entrepreneurs almost unanimously agree with him.

Then as now, German industry was able to point to growing exports, but in contrast to 1980, industry spokesmen have proclaimed the end of sniveling. Whining now must yield to uplifting slogans.

The German car industry set the pace. In any case, it had never quite joined the chorus of criticism of the Japanese challenge. Appeals for protectionism against the cars from the Far East, rife everywhere else in Europe, were rather subdued in the FRG and were not backed by all auto companies. By now the German car tsars have fully regained their selfconfidence. "We need not hide from the Japanese," notes Volkswagen (VW) production director Guenter Hartwich; indeed the VW Corporation considers itself the leader in the automation of production. That is very good for sales, because "the products of the German car industry are in worldwide demand, and thanks to this competitive strength, the car industry is the top German exporter at DM75 billion yearly," proudly proclaims Hartwich.

German machine construction enjoys the same advantages as the car industry. Bernhard Kapp, chairman of the Union of German Machine Tool Factories, definitely dismisses any danger from Japan at this stage, because "the German machines are more versatile, accurate and open to customers' special requests." His colleague Kurt Werner, member of the presidium of the Federal Association of German Industry, adds "we have no major technological gap."

By this time the customers know that, too: In one of the sheds at the Luebeck Drägerwerke, for example, a few obsolete German machine tools stand in a corner, hardly used any longer. Next are several rows of modern machines--all

made in Japan. The boss, Christian Draeger, reminisces: "I had a real shock one day, when I noticed that the foremen wrote down only Japanese made items whenever they submitted investment proposals." At the end of the shed, on the other hand, stand two ultra-modern computer controlled processing centers--and they bear the nameplates of German manufacturers. "That is state-of-the-art stuff," explains Draeger. "That is why our specialists wanted these machines."

Self-confidence is also rampant in electronics, the industry of the future. Siemens chief Karlheinz Kaske, for instance, thinks that we should not "overestimate the Japanese competition." And while Research Minister Andre Buelow warned in 1982 that the Americans and Japanese "are now ahead of us, and the gap must not be allowed to widen lest we lose contact," his successor Heinz Riesenhuber insists that "we need not hide our faces" and goes on to claim that we will certainly manage "to catch up quickly." Nixdorf board member Arnold Bohn indeed boasts "that we are ahead of our Far Eastern competitors in regard to software and computer programs."

Siemens chief Kaske says he knows where the complaints of the alleged German technological backwardness originate: "Such judgments come thick and fast in various magazines. They are read by the politicians' speechwriters who then insert them in their masters' addresses." This kind of sweeping criticism is not only wrong, it is positively dangerous. The Siemens chief therefore firmly states that in recent years the electrical engineering industry has tended to make up rather than lose ground in the international technical race."

According to Hans Joachim Langmann, partner in Merck, "the chemical industry has never fallen behind in international competitiveness." His colleague Norbert Gruenewald, board chairman of Bayer, adds: "After a severe recession we are pleased to note that the German chemical industry has once again proven healthy and resistant." Given so much self-confidence among the four major German industries, Rolf Rodenstock, BDI chairman, is bound also to radiate optimism. "A slight backwardness" in microelectronics is "no reason to lapse into defeatism and pessimism, or to complain that we have lost contact." After all, it is evident that the Federal Republic "continues to be a leader" with regard to basic innovations. Economics Minister Lambsdorff was even more encouraging in his address to entrepreneurs at the opening of the Hanover Fair: "I am pleased that the German economy is keeping up so well in the competition of the technologies and demonstrates that it is inventive, dynamic and adaptable."

Forgotten are the bad times of just 2 years ago, when Rodenstock lamented that his employer colleagues were fighting "with their backs to the wall."

Also forgotten are the assertions that the Federal Republic is no longer a suitable location for industrial plants. On the contrary, Siemens boss Kaske considers Germany "among the best locations in the world, due to its excellent infrastructure, the intelligence and education of our population and its political and social stability."

Such an upbeat mood cannot even be spoiled by hard facts. As it happens, the FRG's economic situation has barely changed since the wailing and weeping of

the early 1980's. Unemployment continues high and is unlikely to decline within this year either; and German industrial exports never did justify the complaints of recent years (see graph).

As the result of an analysis, even the Institute of the German Economy (closely linked with industry) arrives at the conclusion that "the major export industries have succeeded in 1975-1982 to at least maintain their satisfactory performance." While the industry institute complained about high German wages 2 years ago, it now considers it "remarkable that some consumer goods industries were able to increase their exports, although their international competitiveness had been doubted in view of the labor intensive and technologically simple manufacturing processes."

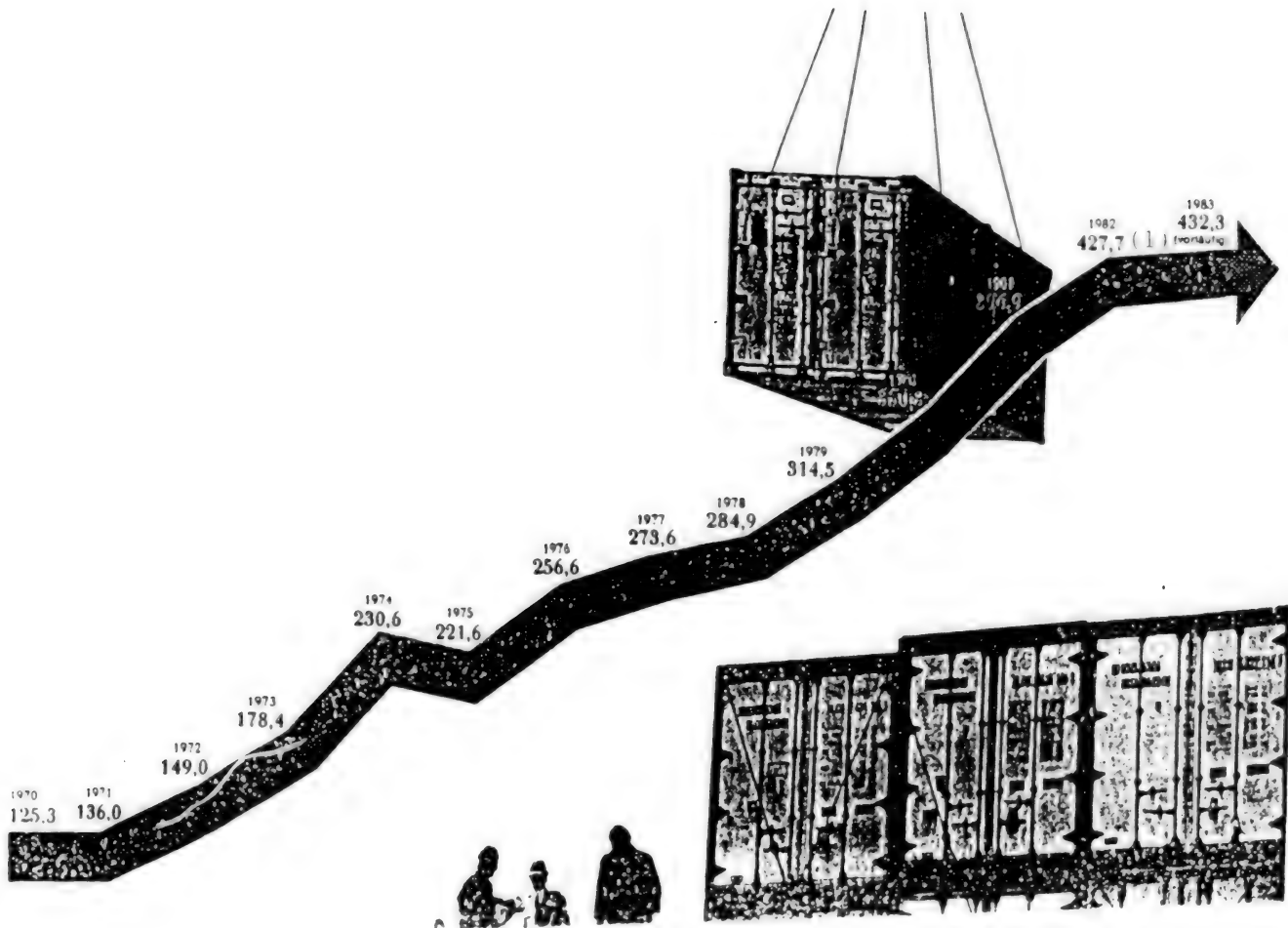
The distribution of German exports is judged benevolently by the scholars at the Institute of the German Economy: "The regional and goods structure of German exports, considered a minus by some economists, has in fact turned out to be a commercial advantage," says the analysis, "because it is not the heavily indebted developing countries nor the OPEC countries, beset by liquidity troubles, that are currently contributing to the revival of world trade, but the recovering industrial countries. And just these continue to be the German exporters' best markets."

Exports are indeed satisfactory, but no more so than some years ago. Why they now supply reasons for optimism is explained by the institute in the following phrase: "At a time of severe structural and cyclical tensions on world markets, stagnation must be considered a success."

However, none of this explains the reawakened self-confidence of the industrialists. Although Max Syrbe, president of the Fraunhofer Society, notes that "the readiness to perform, has increase, and so has motivation," among the new generation of students and concludes that "the technology spring has its swallows," this still does not justify the optimism displayed.

Merck manager Langmann does indeed cite the "political situation" for his fellow industrialists' improved outlook. The president-designate of the BDI believes that, in the past dozen years, "many employers felt themselves the whipping boys of the nation," and that this had taken its toll. At the time their mood was worse than the actual situation, an effect that could not even be mitigated by praise from economist Helmut Schmidt. On the other hand, the pessimism of the early 1980's did not exactly damage German industry. It remains to be seen whether Helmut Kohl's encouraging words will change the situation. Optimism alone is of not much help to industry. A while back another CDU chancellor learned this by bitter experience: In 1965 Ludwig Erhard proudly proclaimed: "Once again we are somebody." Two years later, the German economy slid into the (then) worst post-war recession.

Graph--German Exports in Billion D-marks



Key:

1. Tentative

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CSO: 3620/290

MAJOR STRUCTURAL CHANGES IN ECONOMY REVIEWED, PROJECTED

Past Decade's Performance Weak

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 25 Apr 84 p 13

[Article by Lothar Julitz: "Ten Meager Years"]

[Text] Reviewing the 1970's and early 1980's, we are bound to arrive at a disquieting conclusion. Output has largely stagnated. Millions of jobs were lost. The appearance of our development has thus radically changed for the worse by comparison with the preceding 20 years. In 1953-1973 some 6 million jobs were created in the economy as a whole; almost a million were lost in 1973-1983. The development in the highly cyclical processing sector--in other words industry--was particularly unfortunate. Here more than 3 million new jobs had been provided in the 20 years through 1973. More than half were lost in the past 10 years (see table).

Almost all important industries now employ fewer people. In the electrical engineering industry alone almost 250,000 jobs were abolished since 1973, and that in an industry where, in contrast to most others, output in fact (slightly) increased. The losses in the textile and clothing industry were staggering" Almost half all jobs have been lost in these two industries since 1973--incidentally, a great deal more than in the steel industry. Even the only major growth industry (in terms of output), the manufacture of office machinery and data processing devices, employed fewer people in 1983 than 10 years ago. The only new jobs created--involving insignificant numbers--were in road vehicle construction and plastics fabrication.

After the loss of almost 2 million jobs in processing industry since 1973, the employment figures there have dropped back to less than 7 million, the same as in 1959 (in other words before full employment was achieved). Construction, too, witnessed a clear cutting of jobs; employment in this industry which, by its significance for the national product, is the most important one of all, declined from 1.6 million to 1.1 million.

The radical drop in jobs is due on the one hand to the effect of rationalization efforts by corporations intent on stemming the avalanche of social and wage costs. On the other it reflects the weakness of production in the past 10 years. While industrial output doubled in the 10 years to 1963 and in the following 10 rose once more by almost two thirds, output has virtually

Table 1 (cont.) 1971 (see table). Industrial sector not only in 1971
 1971, but in 1972 and 1973, shipbuilding and the structurally
 weak textile and clothing industry sharp drops also occurred
 in other structural and construction.

Employment in industry

Function	1971	1972	1973
(Employees in thousands)			
Manufacturing industries	8,402	7,922	7,970
— Metal, electrical and mechanical	1,787	1,742	1,684
— Chemical and other processing industry	133	131	129
— Textile	589	562	547
— Construction goods	4,318	4,077	4,010
— Machine construction	1,171	1,088	1,059
— Metal vehicle construction	148	140	137
— Shipbuilding	71	64	61
— Mechanical engineering	1,211	1,154	1,119
— Iron, steel, metal work and metal work	109	102	99
— Other machinery, etc.	22	20	19
— Other industry	1,706	1,667	1,641
— Other engineering	289	278	282
— Other industry	167	154	154
— Other industry	247	235	230
— Other industry	433	410	401
— Other industry	84	80	78
— Other industry	1,048	1,008	996

1. Excludes with generally 1,000 more employees. — Excludes 1,000 employees
 for construction; 1,000 employees in the construction industry.

Due to construction, the demand for a long time in the growth industry
 of the 1970s, the industry was not able to maintain the momentum of the other
 components of the industrial and construction. By comparison, and inde-
 pendently, the industry had a very strong and significant contribution to
 the growth of the economy. The industry was not able to maintain the momentum
 of the other components of the industrial and construction. By comparison, and inde-
 pendently, the industry had a very strong and significant contribution to
 the growth of the economy.

By contrast, other growth in construction is also in the construction of
 a new house, new roads and bridges as well as in the other industrial and
 construction, especially, industry that is based on the 1970s. The
 construction industry, only the construction of other components of the
 industry is the 1970s industry. The 1970s industry was not able to
 maintain the momentum of the other components of the industrial and
 construction. By comparison, and independently, the industry had a very
 strong and significant contribution to the growth of the economy.

Processing Trades 1973/1983
(Percentages of Real Output Changes)

Industries	1973/1978	1978/1983	1973/1983
Processing Industries	2.2	1.8	4.1
--Basic materials and producer goods	- 1.5	- 2.0	- 3.5
Iron and steel producing industry	- 14.3	- 11.0	- 23.4
Chemicals	8.7	4.2	13.2
--Investment goods	4.4	3.3	7.8
Machine construction	- 2.8	1.8	- 1.1
Road vehicle construction	9.6	6.7	16.9
Shipbuilding	- 2.5	- 14.4	- 16.5
Electrical engineering	8.5	4.6	13.5
Iron goods, sheet metal and hardware	1.4	3.6	5.0
Office machinery, EDP	44.1	71.2	146.8
--Consumer Goods	- 0.1	- 5.0	- 5.0
Food processing	0.8	- 14.8	- 14.2
Plastic goods	25.7	14.4	43.8
Printing, copying	5.8	4.3	12.4
Textile trades	- 9.2	- 8.2	- 16.6
Clothing trades	- 12.5	- 19.5	- 29.6
Essential and nonessential foods	6.6	5.0	11.9
Construction	- 1.6	- 14.8	- 19.6
Manufacturing industries	2.1	3.5	2.6

Source: Federal Office for Statistics

Only exports, quite lively by comparison, have mitigated the production weakness of the past 10 years, the causes of which are due partly to the effects of two oil crises, partly to the excessive demands on the economy by rising wage and social burdens and, therefore, diminished competitiveness. Though the average annual real growth of exports declined by more than half to just about 4 percent by comparison to the 1963-1973 rise, even this "modest" increase has offered vital support for output generally. In nominal terms exports have more than doubled in the past 10 years, to DM432 billion.

The severe loss of jobs in industry was modified for a long time by new public service hirings and the growth of employment in the service trades. Overall, however, almost 1 million jobs were lost in the past 10 years when, in addition, we had to cope with a net influx of another half million aliens (to more than 4.5 million).

Next Decade's Prospects Uncertain

Munich SÜDDEUTSCHE ZEITUNG in German 18 Apr 84 p 3

[Article by Volker Woerl: "Concern for Germany's Prosperity"]

[Text] Will Germans be poorer than now in 10 years' time? Is the economic miracle of the 1960's and 1970's coming to an end, is the FRG losing its top status on the international prosperity scale, and will it turn into a second-rate economic power? Possibly with the consequence that the political substructure begins to crumble? The fears of many forecasters point in this direction, and not all of them are to be dismissed as incompetent prophecies of woe.

Early this year, for example, the economic research institutes published their 1983 structural reports, compiled on behalf of the Federal Ministry for Economics; they include some very thoughtful remarks on the economic future of our country. The Kiel Institute for World Economics, for example, writes: "In the international competition, the German economy has fallen behind in many areas. Others have frequently outdistanced us on the markets for new technologies. It is food for thought indeed, that the Federal Republic has failed to balance the large current account deficit, in other words that adjustment proceeded only by way of devaluing our money."

A few days ago the Munich Ifo Institute published another analysis. Evidently upset about the agitation caused by the earlier publications, they are at-tempting to calm people's fears. Based on the survey of German industrial ex-perts and international patent statistics, the authors arrive at the conclu-sion that the FRG's competitiveness in the world markets, particularly after the United States, has still far ahead of Japan, West Germany is strong. However, there is a distinct reservation: "The authors fear that the FRG is losing its edge, some of which is being eroded by the loss of patents for key patents in almost all major technological areas in the FRG's strategic comparison with the most important industrial countries and the international average."

It is a somewhat halfhearted plea, particularly if one considers the situation at the advanced machine and metal works, so that: "The danger is a spectacular that comes, could be along a path of large companies, and a path toward failure. Following into the water, the Federal Republic is at this time in a rather compli-cated position. The FRG's economy, and that of the countries that are strongly competing for it, is facing the danger of a great deal of ex-pansion. It is true, however, that the German industrial industry is not being supported by technological progress with technological progress. German factories still turn out the same machine tools, and the German workers produce the same mechanical equipment, and still, the most advanced industrial plant and most sophisticated manufacturing for the most part with yesterday's know-how."

On the other hand, there is the German machine industry, the technological revolution has brought up a new long way and world class in many industrial countries, and the entire climate of innovation is being made to be declared. Cooperation between corporations and universities has additionally been much closer in the United States than here. The German machine firm, for

example, needed to buy its entrance ticket to biotechnics in the United States, because it was not available in Germany. America's elite universities, Harvard, Princeton, Stanford, Yale or the Massachusetts Institute of Technology --these are internationally renowned wherever people are talking about future high technology. On the other side of the Pacific, Japan has MITI, its supreme central research and development agency without equal. Of course it is not possible just to copy such types of organization and promotional methods. A remedy to be feasible here must not only set its sights on researching expensive and outstanding major technologies; we must also acknowledge the fact that the decisive impetus in Germany has traditionally come from the army of small and medium companies.

Experts see the FRG drop behind mainly in two sectors: Microelectronics and biotechnology. For the former, integrated circuits are the innovating basis, for the latter it is the large-scale utilization of biological processes such as gene technology. Merely the thought of such techniques gives many people here goosebumps. Their concern begins at the preservation of jobs and ranges to biological manipulation. Fear and the lack of knowledge often go hand in hand. To reduce both and, if possible, change them into confidence and self-confidence would be beneficial. However, that is asking too much of politics and economics.

The technological situation of German industry is not so bad as described by some pessimistic writers, nor is it so wonderful as the FRG's actual ranking--the second strongest economic power in the world--might lead us to believe. We are definitely not faced with economic collapse, but warnings are useful if they really can cause positive action following.

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SOVIET TRADE EXHIBITION REFLECTS MORE AGGRESSIVE EXPORTS

Helsinki SUOMEN KUVALEHTI in Finnish 13 Apr 84 pp 66-68

[Article by Martti O. Hosia: "From Officials to Salesmen"]

[Text] When growth in Eastern trade stops, wonders can happen: rigid officials of Soviet foreign trade associations turn into aggressive salesmen. One sign of change is the largest-ever exhibition of Soviet export products assembled at Helsinki's Exhibition Center.

A pulpstone, a block nearly 2 meters in diameter, sent by the foreign trade association Tekhmasheksport could serve as a symbol of the export exhibition at the center in Helsinki.

So far only two such stones have been delivered to Finland for use in the manufacturing of paper, one to Tampella and the other to Kymi-Stromberg. However, orders have already been placed for 11 stones.

Approximately 50 pulpstones are sold in Finland annually so that with one blow the Soviet exporter has obtained more than 20 percent of the share of the market. The stones are a valuable commodity; the price of one stone fluctuates from 12,000 to 15,000 rubles.

Adding to the sweetness of this sales coup is the fact that this share of the market was taken away from two U.S. firms, Norton and Carborundum as well as the West German Herculesstein.

The pulpstone transaction fulfills the hopes which the organizer of the exhibition, the Soviet Chamber of Commerce, has placed on its exhibition slogan: New products, new ideas, new opportunities.

On the other hand, Tekhmasheksport's pulpstone is of symbolic value also for the reason that trade between Finland and the USSR is at this time, if not completely on the rocks, at least in a phase in which the finding of new import products is like searching for something under a rock.

Next Year Difficult

Trade problems were last brought up at a high level during the visit to Finland in February by Chairman Nikolay Baybakov of Gosplan, the Soviet Union's

State Planning Committee. Baybakov was also accompanied by Deputy Foreign Trade Minister Nikolay Smelyakov, who is in Finland again to open the export exhibition.

The premise for this spring's trade negotiations is the hope that trade with the East during the next five-year plan of 1986-1990 will be kept at the present annual level of approximately 5 billion rubles (approximately 36 billion markkaa) at least.

However, the achievement of this goal will require the resolution of a difficult trade policy equation, in which there are four constants:

- The proportion of energy in Finland's imports from the Soviet Union is 90 percent.
- The Soviet Union's share of Finland's total energy imports is so great that it cannot be increased.
- Finland's energy consumption will not grow any more.
- Energy prices will remain the same.

According to the Foreign Ministry's Ake Wihtol, the assistant state secretary for trade policy, the mere balancing of trade with the East presupposes that Finland's imports from the Soviet Union must be increased by at least 200 million rubles or approximately 1.5 billion markkaa each year.

This will be sufficient to keep trade at the present level. If trade is to be increased, imports will have to be increased even more.

On the other hand, Finland's exports have done well. It has become necessary to conceal the large trade surplus resulting from this by means of "borrowing from Peter to pay Paul" -- Bank of Finland's special account, the postponement of payments, the sale of Soviet oil to third-party countries, and even by paying for Finnish exports with convertible currencies.

If imports cannot be increased, the situation will become bad for Finnish exporters as time goes by. The quotas of construction project exporters have already been cut back and the directors of shipyards are sitting on pins and needles waiting for new orders. It is expected that the worst year will be next year, the year before the next five-year plan and a new general trade agreement.

"There Are No Miracles"

The opportunities for increasing imports hinted at by Baybakov were, among other things, a steel plant based on powder metallurgy, albumin manufactured from natural gas, and tree-cutting operations by Finnish lumbermen on the other side of the border.

The value of energy imports can be increased by making a partial transition from oil to natural gas. At the same time the Soviets would obtain their own large construction project in Finland.

Finnish companies, for their part, would like to increase imports of raw materials for the chemical industry and nonferrous metals, but the Soviet have had delivery problems. According to Baybakov, one intent was to record Finnish expectations already in the preparation phase of the five-year plan.

Since the total sum of transactions amounts to billions of rubles and tens of billions of markkaa, even the large individual projects are still not sufficient to correct the imbalance between exports and imports.

Or according to Wihtol's slightly pessimistic statement:

"There are no miracles for increasing imports."

Since there are no miracles, the only thing left is day-to-day sales work and the accumulation of crumbs.

Therefore, a total of 30 foreign trade associations is represented for the first time at this exhibition organized by the Soviet foreign trade leadership. The number has been five or six at previous Western exhibitions.

The primary objective is to seek out medium-size and small Finnish companies, which do not have the means to maintain direct ties with the USSR. Also the intent is to reach the Finnish consumer, who until now has not purchased anything Russian except for a Lada automobile at the most and gasoline for it.

"Made in USSR"

"We are, indeed, emphasizing marketing and advertising. The results will begin to be seen soon," promises Assistant Managing Director Kyosti Laitinen of the Koneisto Company, which is the largest importer of Soviet machinery and represents 10 foreign trade associations.

"Purchasing from the Soviet Union is a process which requires a certain amount of work. The foreign trade associations are not interested in small consignments," explains Laitinen.

The task of being a buffer between the small Finnish buyer and the manufacturer also includes the tailoring of Soviet machinery to meet Finnish specifications.

Numerically directed finishing machines, whose "brains" are originally from the West German Boschilt and Swedish Asea firms, are an example of tailoring machinery to meet Finnish needs.

The same concept is accomplished by, among others, Partek, which installs Finnish cranes on Soviet Kamaz and Gaz trucks. Tomro, for its part, builds ambulances on the chassis of the Lithuanian Raf delivery van.

The idea will be repeated in the Taimyr icebreaker, which Wartsila hopes to build and which will be powered by a nuclear reactor from the Soviet Union.

"Productive cooperation" will not help the trade balance problem either to the distress of the makers of trade policy. Experience has shown that cooperation generally increases Finnish exports to the Soviet Union.

Laitinen is, indeed, interested in a product which will resolve even this problem. The rollers for the prototype of a peat excavating machine developed by the Suokone Company are from Finland, the assembly work will be accomplished in the Soviet Union, and the intended markets are Sweden, Northern Ireland, and Jamaica. Only a few hundred or a thousand more similar ideas are needed...

It is absolutely imperative to change the reputation for poor quality that Soviet commodities still have in the West.

Experts from a Finnish advertising agency have already held a symposium in Moscow, at which the subject was, among other things, the creation of a brand name reputation and a business image.

To the degree that the quality of Soviet products will allow, the intent is to give "Made in USSR" a new positive impression in the world. The objective, which is highly ambitious, is to achieve the same status as the Japanese, who turned their former trinket and junk reputation into the present image of "Made in Japan".

And at the same time the Finns will obtain an export contract that will be of the highest level with respect to refinement value.

10576

CSO: 3617/149

LATEST TRENDS IN BARTER TRADE WITH USSR EXAMINED

Helsinki HELSINGIN SANOMAT in Finnish 17 Apr 84 p 31

[Commentary by Antti Blafield]

[Text] Helsinki's Exhibition Center is presently hosting an exhibition of Soviet products. The news is that everything can be found from nuclear power plants to wooden dolls. In the background there is the silent question: why is trade faltering anyway?

The exhibition was given impetus last week by visible agreements. Rauma-Repola, Wartsila, Valmet, and Hollming signed agreements on ship deliveries to the USSR worth a total of 3.3 billion markkaa. At the same tables the same shipyards also signed agreements for 300-million markka imports to Finland.

It was a question of counterpurchases for ship transactions even though these enterprises are not prone to make such public announcements.

Counterpurchases have almost become a condition of conducting trade for individual businesses in trade with the East.

"What About the Purchasing Side?"

Counterpurchase has been a word which has appeared in the speeches of politicians and in the nightmares of businessmen in the last couple years. When the balance of trade with the East turned into a surplus for the Finns in the beginning of the 1980's, the Soviets came up with counterpurchases as a remedy.

Counterpurchases can mean a most satisfactory matter as far as any particular speaker is concerned. For the representative of a Soviet foreign trade organization counterpurchase means that if you want to sell, you must also buy. According to his understanding, counterpurchases should be accomplished at the enterprise level. "Trade is otherwise self-evident, but what about the purchasing side?"

For a ministry-level Soviet official counterpurchase means that it is imperative for Soviet industry to conform to Western standards in order to market

products to the West. It does not mean an enterprise-oriented reciprocity, but an even greater increase in the processing level of Soviet exports.

For Finnish foreign trade officials counterpurchase as a concept in Eastern trade is an abhorrence. On the contrary, he would rather talk about the need to find imports from the Soviet Union to compensate for imports from the West. At the same time this would mean less dependence on a single import commodity, energy.

A Finnish businessman will willingly talk about counterpurchases as long as the purpose is to install Soviet items in products intended for export to the USSR. On the other hand, the purchasing of investment commodities for oneself as a counterpurchase is a more difficult subject. It becomes nearly impossible when the discussion turns to the purchasing of Soviet items for finished products intended for export to the West.

However, counterpurchases have come to stay in trade with the East in spite of the fact that they do not, in fact, belong in the structure of trade with the East. Trade between Finland and the Soviet Union is conducted on a clearing-basis or trade should always be balanced. Thus, in fact, all trade with the East is one large counterpurchase. If individual counterpurchases are grafted to it, then we are in a mess.

Turning this around, it would also mean that the Soviets would purchase just as much from Finnish firms as they export. What, for example, could the Soviets purchase from Neste in such large amounts?

In talking about counterpurchases it is frequently forgotten that there are many different kinds of cases among the approximately 150 Finnish firms conducting trade with the East. An extreme case is Neste, which really only imports. Enso is an example of a company which exports approximately just as much as it imports. At the other extreme are the technologically developed firms, such as the shipyards or Nokia, which primarily exports.

Counterpurchases have been talked about in trade with the East in two waves. The first swell came 20 years ago when Koneisto was established. This firm represents Soviet machinery and equipment in Finland. At that time the firm effectively marketed Soviet machinery and equipment and willingly linked this trade with the development of trade with the East. If it does not succeed, trade will wither.

Trade did not wither, however, to the contrary. A new wave began a couple years ago when the Finns increased exports as the result of an increase in the price of Soviet oil. This soon resulted in a difficult surplus and the superpower was also aggravated by the fact that it is virtually a developing country in this trade between the two countries. Finland imports raw materials and exports highly developed products.

The new wave was also generated by a new practice in the Soviet Union. Enterprises were allowed to use a part of the currency earned by their products

for their own needs. Finnish cranes, Swiss machinery, and German electronics began to appear in exports to successful enterprises.

In dealing with firms in other Western countries the Soviets have also become accustomed to enterprise-oriented counterpurchases. The reason is clear: other countries do not have a corresponding clearing-system. Thus counterpurchases or the balance of trade falls, for the most part, to the accounts of individual firms.

For example, in Austria there are trading houses which specialize in the forwarding of Soviet products coming to individual firms.

Foreign trade became a question of status to Soviet enterprises, it became even more of a status to foreign trade officials.

Thus Finnish firms began to play host to more and more visiting Soviets, who in all their transactions began to promote the concept of counterpurchases.

Peculiarities were not avoided. There is the story of a textile enterprise, which ended up importing piles of kettles as a counterpurchase, which it desperately attempted to dump on an otherwise saturated market. On the other hand, an electronics firm was purchasing heaps of caraway seeds as a counterpurchase for a data processing transaction.

A television plant in Finland also conducting trade with the East is quietly removing from its color televisions Soviet components which sooner or later explosively made the picture bright red.

The shipbuilding firm of Wartsila, for its part, is still pondering what to do with the Soviet trawlers it purchased last summer.

Lada automobiles also began to appear as company cars. The Soviets, for their part, examined the situation. They went through Finnish firms conducting trade with the East and calculated how many of them had purchased Soviet products, Lada automobiles if nothing else. According to their calculations, only one in three bought Soviet products.

However, purchases of Lada automobiles do not go very far. Finland imports approximately 12,000 Ladas annually. The total duty-free price of 12,000 Ladas is the same as one large tanker full of crude oil.

Finnish officials and businessmen did not want to talk about counterpurchases. On the other hand, they were, indeed, willing to talk about increasing purchases from the Soviet Union. Through joint efforts they began to compile deficiency lists, what can be imported, what is needed. The majority of desirable imports continues to be raw materials or semi-finished products.

Four shipyards had the most success. After considerable dickering they were able to obtain a list from Sudoimport [All-Union Association for the Import of Ships], for ships which perhaps would be given consideration in the next five-year agreement. The shipyards went through these ships piece by piece,

enumerated all the parts and materials which could be purchased from the Soviet Union and sent a list of several hundred components to the Soviets.

The issue will be brought up again for discussion at the end of May in Moscow.

The problem has not, however, been resolved by these deficiency lists. The list is only a condition for the resolution of the problem. Hardly any of the desired products are available, and since the Soviet economy functions in 5-year spurts within the limits of its economic plans, increasing the production of a certain product takes time and perseverance.

Gosplan, the State Planning Committee, is at the center of everything. It determines how much will be produced, how much will be exported, and to where it will be exported. Gosplan, for its part, listens primarily to the ministries of the various industries and only secondarily to the foreign trade organizations.

Finnish businessmen have confirmed that production needs are divided into three categories of priority from the point of view of Gosplan: first comes the need of its own economy, trade with the West conducted in hard currencies comes second, and trade conducted with Finland comes third. Or if there is a surplus from the domestic markets and the Western markets, then it can be exported to Finland.

Thus Finnish shipyard managers who have become accustomed to enumerating a group of counterpurchases in conducting trade in ships adopted an attitude of indifference in recording propellers, anchors, and a ship's lateral sections in previous counterpurchase lists knowing full well that they will never be delivered to Finland.

The Finns have been told straight-out with respect to certain products that they will be sold only to those Western countries from which convertible currencies can be obtained.

Surprise in Moscow

Chairman Nikolay Baybakov of Gosplan came to Finland last fall. At that time the Finns took advantage of this opportunity to openly tell him of the difficulties in Soviet trade. Baybakov stated that some changes would be made.

Indeed, changes have already been made. For example, the transmission of information has been perceptibly accelerated. When previously the Finns had become accustomed to the fact that an answer to a question could take a couple months, now an answer is forthcoming in just a few weeks, sometimes in even a few days.

Exports make up a marginal contribution to the Soviet national product, approximately 3 percent. Nevertheless, it is an especially important contribution since with it it is possible to develop the Soviet Union's production technology and improve its standards. Already for the reason that exports are a condition of imports for a Soviet enterprise.

For the Finns the issue is quite the opposite, imports are a condition of exports.

At the end of March a jet plane full of Finnish engineers and purchasing chiefs travelled to Moscow for the first time to attend a machinery exhibition. The exhibition turned out to be a surprise for the majority of the Finns, among the Soviet products there were many which even interested the Finnish engineers.

Also the Soviets understood the importance of the Finnish group. They took the group to a ballet at Moscow's Palace of Congresses. The program was Don Quixote.

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SOVIETS COME AWAY FROM TRADE EXHIBITION WITH LARGE ORDERS

Helsinki HELSINGIN SANOMAT in Finnish 20 Apr 84 p 24

[Article: "Contracts Worth 320 Million Concluded at Soviet Exhibition"]

[Text] Agreements on the delivery of Soviet products amounting to approximately 45 million rubles or a full 320 million markkaa were concluded at the Soviet export exhibition, which ended on Friday in Helsinki.

According to the organizers of the exhibition, the established goals were achieved, but the organizers emphasized that the results must be examined over the long term. Finnish businessmen are very cautious and time is needed before the agreements concluded can be brought to fruition, was the assessment given at press conference held on the final day of the export exhibition.

Marketing Director Gennadiy Bezusyak of the export exhibition stated at Thursday's press conference that so far agreements have been reached with 34 business enterprises on the delivery of Soviet products.

Of the total sum of 45 million rubles, 23 million rubles or a full 165 million markkaa will be spent on machinery and equipment. Finnish firms have purchased, among other things, equipment in the area of shipbuilding, treatment equipment for ferrous metallurgy, various types of equipment connected with electronics as well as computers, and metal processing equipment.

In addition, West German and Swedish firms concluded agreements on the purchase of Soviet products.

The export exhibition was opened on Thursday of last week. The number of people attending the exhibition was a full 15,000.

10576

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LARGE EC ROLE FOR FINNISH HIGH TECHNOLOGY

Helsinki HELSINGIN SANOMAT in Finnish 20 Apr 84 p 25

[Article: "Finnish Contribution to EC Electronics Project"]

[Text] In the near future Finnish firms will have opportunities to participate in the large projects of the European Community (EC), whose purpose is to develop a new high technology in the area of electronics and computers.

According to Director Herman de Lange, who is responsible for the European Community's EFTA-affairs, there are three--four firms in Finland which now "have something to offer" to the EC in the Esprit project being initiated by the organization. Esprit will attempt to develop a counterblow in areas controlled by the Japanese and the Americans in the latter half of the 1980's by means of several billions in investments.

De Lange came to Finland on Tuesday during a tour of the Nordic countries, the purpose of which is to become familiar with the situation in various EFTA-countries. Indeed, in Norway de Lange finalized an agreement for resolving the steel dispute between the EC and Norway.

While in Helsinki on Thursday, Director de Lange did not want to name those Finnish firms with which Esprit would have ties.

De Lange, who has managed EFTA affairs in the EC for 6 months, believes that relations between the organizations will develop positively in the near future. A full week ago the EC- and EFTA-countries made public in Luxemburg a 43-point document on goals for the near future. De Lange does not, however, consider the document to be as optimistic as the parties in Luxemburg would have one to believe: "It is primarily relevant".

There are no major disputes between EFTA and EC now that the last tariffs were eliminated from EFTA-country exports to the EC at the beginning of this year. The remaining EFTA tariffs with respect to the EC will cease to exist, for their part, at the end of the year.

In the last 3 years the EC has become closer to several of the EFTA-countries at the political level. EC representatives regularly meet with the leadership of Sweden and Norway, among others, to examine "international questions" and achieve mutual understanding in them.

De Lange states that the meetings have been successful. Similar negotiations were offered to Finland a couple of years ago, but they have not reached a corresponding level.

TRADE MINISTER ON FISH EXPORTS AT EC, EFTA MEETING

Reykjavik MORGUNBLADID in Icelandic 10 Apr 84 p 2

[Article: "The 200 Mile Fisheries Jurisdiction Does Not Alter Article 6 of the Agreement between Iceland and the European Common Market"]

[Text] Icelandic Trade Minister Matthias A. Mathiesen warned the joint meeting of member states of the European Common Market and the European Free Trade Association against concluding that the extension of Icelandic Fisheries jurisdiction to 200 nautical miles means a change in the agreement between Iceland and the European Common Market on sales of Icelandic fish to the Common Market. He likewise encouraged the Common Market to remove duties on saltfish before Spain and Portugal become members. Otherwise there will be confusion in the trade of Iceland with those countries.

The ministers of trade of the 17 member states of the European Common Market and the European Free Trade Association met on Monday (9 April) in Luxemburg to discuss dealings between these trade and customs units. And in fact these countries constitute a mutual marketing area even though the same situation does not exist everywhere concerning customs on individual goods such as saltfish, the most important Icelandic export item to Spain and Portugal. However, both of these countries have sought membership in the European Common Market and there will soon be a decision on their application.

It emerged from the speech by Matthias A. Mathiesen that some parties within the Common Market have approached the subject of eliminating the customs concessions for Icelandic fisheries products in European Common Market markets in view of the fact that the regulations of Article 6 of the Agreement of Iceland with the European Common Market were only to be in force until Iceland had taken control of its 200 mile fisheries jurisdiction. The minister of trade pointed out that the article in question had become valid only after agreement had been reached with Britain and West Germany on their recognition of the 200 mile jurisdiction so that the protests within the Common market in this matter had nothing to stand on and that the regulations of Article 6 are the basis of the trade agreement between Iceland and the Common Market.

SUBSTANTIAL IMPROVEMENT EXPECTED IN FOREIGN TRADE DEFICIT

Reykjavik MORGUNBLADID in Icelandic 17 Apr 84 p 50

[Article: "Almost 670 Million Kronur--1 Percent of National Production"]

[Text] The Icelandic foreign trade deficit grew considerably between 1979 and 1983, as is shown by the graph given below, or by 14,276 million kronur, according to the set exchange rate value for 1984.

The trade deficit during this time period was a primary cause for foreign debt accumulation during the same period. Foreign debt now accounts for one-fourth of the Icelandic export income in payments burden and reduces the living conditions of the people correspondingly.

Early in 1983 a change in government policy led to a reduction in the trade deficit, as is shown in the table, and in spite of reduction in national production during the year, especially in fisheries products, the prospects are for a still smaller trade deficit in 1984. Estimates are that the trade deficit will be almost 670 million kronur in 1984, 1 percent of national production.

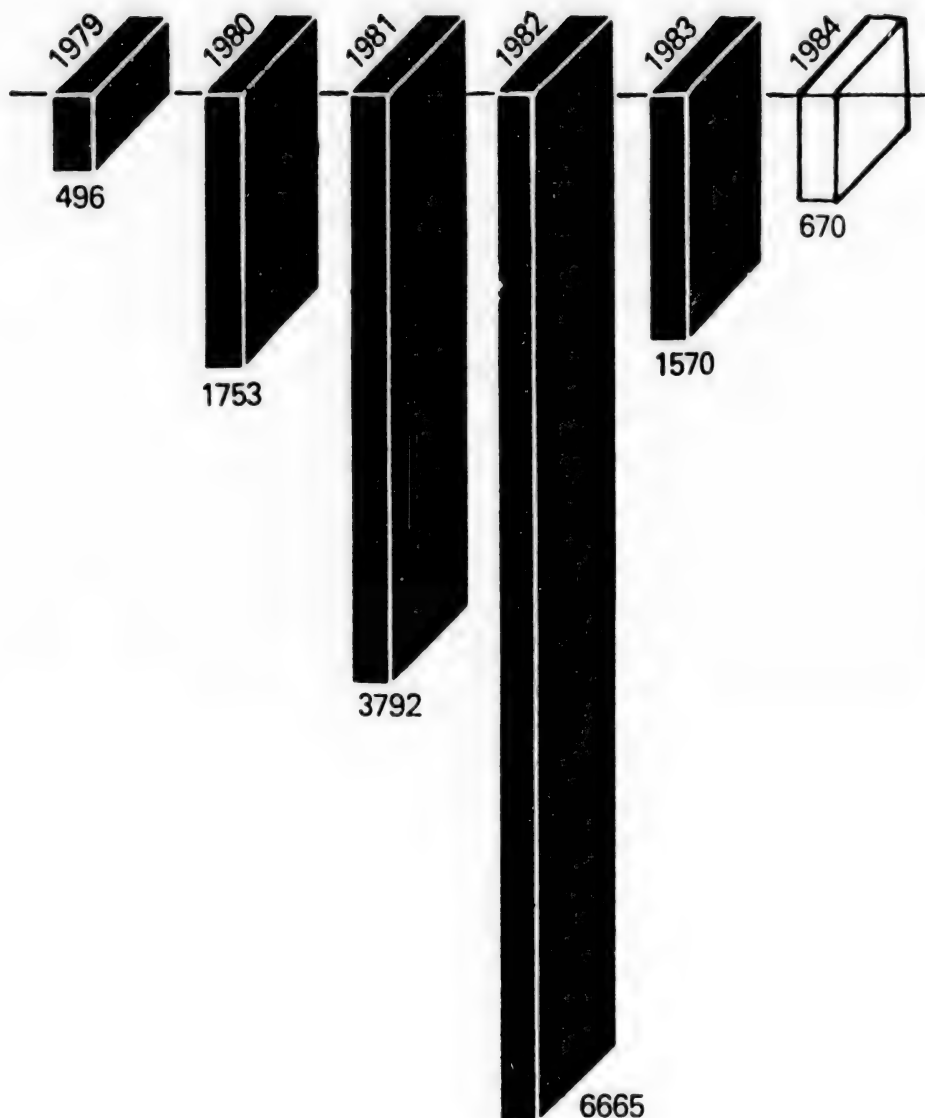


Table 1: The Icelandic Foreign Trade Deficit in Millions of Kronur, 1979-1983. Total deficit 14,276 million kronur (1984 set value)

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PRIME MINISTER VOWS TO CONTINUE INFLATION FIGHT

Reykjavik MORGUNBLADID in Icelandic 12 Apr 84 p 2

[Article: "Economic Program Will Hold to Exchange Rate Premises"]

[Text] The government will hold to its economic goals, said Prime Minister Steingrimur Hermannsson optimistically in a statement not on the agenda given in the Althing yesterday. The government is holding to its promise that the rate of inflation will be 10 percent by year's end. It will hold to exchange rate premises of unchanged external conditions in its economic program, that is, of exchange rate changes of under 5 percent, plus or minus, during the year.

This means that the government will reduce the projected treasury deficit and--in cooperation with the banks--will reduce monetary expansion. Thorsteinn Palsson, chairman of the Independence Party, expressed the same opinion: It is necessary to keep the exchange rates relatively constant if inflation is to be held down and if the purchasing power that people now enjoy is to be retained. He also said that responding to budget problems with cuts alone has been ruled out, although such cuts are unavoidable. New sources of revenue must be found, for example, by having users of public services take an increased role in paying for them. Foreign loans are certainly not ruled out.

Svavar Gestsson, chairman of the people's Alliance Party, asked for the floor to make a statement not on the agenda in connection with an interview of the prime minister given on the front page of TIMAN yesterday under the headline "Exchange Rate Cut if the Holes Cannot be Filled." He addressed the question to the chairmen of the government parties as to whether or not there would be foreign exchange rate cuts above those foreseen in the government economic program, if the "budget hole" is not filled in the normal manner. The party chairmen answered optimistically, as is indicated above.

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CSO: 3626/22

PAPER COMMENTS ON NEED TO FIGHT AGAINST INFLATION

Reykjavik MORGUNBLADID in Icelandic 25 Apr 84 p 12

[Editorial: "An Instructive Economics History"]

[Text] The speech of Dr Johannes Nordal to the Annual Meeting of the Icelandic Central Bank confirmed that should have been clear to everyone that economists are, to a very great degree, caught up in the experience of the past which subsequently provides indications of what is the best policy to maintain the economic balance which is the precondition for economic security. Looking at the matter in terms of what has been done in the period since the Leftist government took power at the end of the 12-year period of national recuperation in 1971, it is clear that only through the firmly rooted economic measures of the government that now holds office has a firm foundation been created for the battle against inflation. If that is an unquestioned fact, people should then take notice of the fact that since the Progressive Party, which was in power during all the inflation years, has reconciled itself with the major policies of the Independence Party in the struggle against inflation a change has come about.

Johannes Nordal has not--to be sure--made direct references to this political fact in his speech but he did speak about those economic facts which come into view when one looks back over the almost one year period that has elapsed since the big battle with inflation began: the indexing of wages has been abolished and a firm foundation laid in international exchange in the wake of a devaluation of the krona intended to secure livelihood in terms of operating basis. Efforts were also made in this to promote success in these areas through restraint in state expenditures and money. The intention was to reduce the rate of inflation and achieve a balance in foreign trade so as to limit a continually growing foreign debt burden.

But success cannot be allowed to rest on its laurels, or, as Johannes Nordal worded it: "We have been successful with radical economic measures, both in improving an enormous foreign trade deficit and in reducing the rate of inflation. However, I understand what this implies." The Central Bank chief rightfully pointed out that this great success has cost us more in sacrifices in living standards and in consumption on the short term than we might have had to offer otherwise, even though this might turn out to be untrue if we

are able to get beyond direct results from conditions in fisheries without much unemployment.

Speaking in terms of these successes, Johannes Nordal noted that, of course, there is the danger that the successes might result in readoption of wage indexing and a free floating of the krona, as happened during the 1971 to 1974 years of the Leftist regime. This must be kept in mind.

The public has shouldered a major burden in the struggle against inflation with visible and substantial success. But what about the treasury and the banking system? Has there been sufficient restraint in public expenditures and in money matters? Johannes Nordal's statements imply quite the contrary. In both of these areas there is need to break out of our bonds. Nordal characterized the problem of the treasury as that of a "self-help welfare state" and said that in the storm that has been weathered weaknesses in the structure of the banking system have come to light. Nordal has here made reference to the fact that politicians and officials cannot deny. The desirable and needed balance will not be created before efforts have been made in these areas with the same force that has been applied to inflation--Icelandic economists will have to recognize in the future that they refuse to recognize today.

Competition for Savings

Johannes Nordal referred to the competition for the savings of Icelanders which has recently begun and said that the Central Bank considered it its duty under such conditions "to attempt to guide developments along the right lines without hindering those changes in the direction of a freer interest system that are now necessary." As things stand now, the commercial banks come completely under the Central Bank and it is accordingly the Central Bank that determines the "right lines," and not competition between banks, that is, the market place.

A primary aim of the Central Bank is to augment interest paid on deposits and not on loans. It depends upon the strength of the banking system and the conditions of individual banks whether or not they can offer their customers good deposit conditions. The fact in itself is an understandable rule. But is it necessary? And is it necessary for the Central Bank to forbid the commercial banks to arrange the money of depositors in accounts in such a manner that the best customers enjoy by far the best conditions?

For the words of Nordal to prove true to the effect that the banking system will become "a force conducive to the operating of the economic system," the most beneficial approach would be that the market place would decide the "right lines," for example, through a restraint that would be compatible with the goal of keeping the exchange rate of the krona within set bounds, no matter what.

PAPER CITES AREAS OF IMPROVEMENT DUE TO GOVERNMENT POLICIES

Reykjavik MORGUNBLAID in Icelandic 12 Apr 84 p 24

[Editorial: "A 'Ceiling' To State Expenditures"]

[Text] The common citizen, turning over in his mind the "budget holes" old and new, has a lot to think about. Budgets and financing laws have neither proven to be a strong framework for a future year nor an economic management device to achieve desired economic goals. Those advantages for the state household, and/or disadvantages, that are presupposed by the budget have proven elusive year after year, either for officials or politicians, or both. State expenditures for 1983 were thus 3,300 million kronur --i.e. 25 percent--above the last budget of Ragnar Arnalds. The budgets for the two previous years were little better.

Other things that the tax payer must put up with in the national household:

--Overtaxing. The income tax cuts into his earnings and reduces his disposable income. Value taxes, e.g. customs, excise and sales taxes cut disposable income still more.

--Piling up of debt, that is, consumption beyond income, for which the taxpayer must pay at a later date, along with and in addition to financing costs.

--State expenditures (the "A" Portion of state accounting) that were 24.6 percent of gross national income in 1971 but had risen to 30.7 percent in 1983. Here we must add in expenditures of communities to understand the total scope of public activity in the disposal of national income.

--Long-term foreign debts were 33.8 percent of national production in 1978, when the People's Alliance entered Icelandic government. The figure was 60 percent when the People's Alliance ceased to participate in the government. Foreign debt as a porportion of national production nearly doubled during the 1978-1983 period when the People's Alliance was in the government. The payments burden amounts nearly to a fourth of export income at the present time and will continue to do so for the immediate future.

National production had decreased by 12 percent in three years, according to the Icelandic Economic Institute. National income has dropped

accordingly. The reason for this, among other things, is a decline in the fish catch. The cod catch in 1984 was less than half of that in 1981. Also to be taken into consideration is that the value of fisheries products will be most likely 2 percent less in dollars in 1984 than average values for 1983. Unfortunately, we have been unable to position new supports to prop up the employment and livelihood of Icelanders, neither in terms of large industry, nor of the biochemical industry, and in the short term there has been more recourse to fish breeding and general industrial development than the situation calls for.

The common citizen has shouldered his burden in terms of the deterioration of national income and the unavoidable losses to inflation. It is doubtful that the state household tightened its own belt accordingly.

A "budget hole" still plagues public figures and politicians. The budget for the present year, which is far more pragmatic than the budget laws of years past, turns out to be ill provided in the first quarter of the year. State expenditures look like they will be, if things remain unchanged, two billion kronur above state income. Responding to the crisis, public figures and politicians have taken the problem in hand and have sought for solutions for weeks and months.

It is clear that the Althing is willing to accept whatever is proposed. The government has clearly no "mapped-out" path out of the difficulty, as has been made evident. The mass media has in the past expressed views of individual ministers moving in different directions. Finally, views have developed on a solution that is being given great attention in the Althing delegations of the coalition parties, which discussed the budget situation in Althing delegation meetings yesterday. The solution proposed, however, is still neither fully worked out nor full fledged. The public, recovering from the recession, must demand of the politicians, above all of the coalition parties and ministers, who bear official responsibility for how things develop in the national household, that they get down to business. That is their duty. The government must cut the people's consumption down to size. The state household must shoulder its share of the contraction of the economy which is making a reduction of national income unavoidable. It is not possible to weigh down public resources with tax burdens. It is high time, in fact, to set by law maximum state tax collections as a proportion of national income.

The government must have, at any time, the courage and determination to deal with current problems--and to take up the burden of its duties.

9857

CSO: 3626/22

CENTRAL BANK DIRECTOR WARNS AGAINST INTEREST RATE RISE

Reykjavik MORGUNBLAID in Icelandic 19 Apr 84 p 48

[Article: "I Will Not Interfere With the Interest Rate Rise"]

[Text] "The Icelandic Central Bank will not interfere with whatever interest rates banks offer. However, banks cannot expect that loan interest rates will be increased, even if they raise deposit interest rates." So said Johannes Nordal, chairman of the Icelandic Central Bank Administration, among other things, in a speech he gave yesterday at the Twenty-Third Annual Meeting of the bank. He spoke first in general terms on economic developments and later specifically on things connected with the Central Bank. In the conclusion of his speech, Nordal talked about the banking system and said among other things that in the numerous changes that have overtaken the banking system in the last two years weaknesses in its construction have become evident, finding expression in a lack of flexibility and a disparity in assistance with regard to companies as compared to the branches of trade, among other things.

The twenty-third annual meeting was chaired by Sverrir Juliusson, chairman of the Bank Council. He provided a brief report on the condition of the bank and said that the bank's position is not strong and noted that the duty of the Icelandic Central Bank is to coordinate economic matters.

Johannes Nordal said that the weaknesses of the banking system may be traced back to the fact that it had to a large degree come into existence during the time and under the influence of credit control, which led to an extraordinary scramble for capital, an excessive increase in institutions and offices and an excessive specialization of banks in terms of service to particular trades. The Central Bank chief mentioned three things that he felt necessary to straighten out things in the banking system. First of all, the government must have control over loan institution mergers and over their conversions and division of the market. Secondly, a reduction of automatic redemption of operating credit through the intermediation of the Central Bank must take place.

Third and last, Nordal mentioned what he considered the most important pre-condition for the needed reform of banking and of credit, i.e., pragmatic interest rates in all money dealings and increased freedom in interest matters. He said that there had been a great change in this area since last autumn. He also mentioned certain treasury innovations intended to promote the increase in the loan financing resources of public enterprises and funds. He then said: "It might seem to some that the competition for the savings of Icelanders, which has now begun, could become too much. However, it should also be noted that it will take some time before a balance is achieved on the loan market, after the major changes that have taken place in the last three quarters, both in values and in loan conditions."

At the conclusion of the annual meeting Minister of Trade Matthias A. Mathiesen offered words of thanks to the Bank Council, the Bank Administration and the employees of the Icelandic Central Bank. He also reviewed government economic goals and said that it is a pleasant fact that the goals sought for this year have been achieved.

9857

CSO: 3626/24

GONZALEZ FACES STORMY CRITICISM OF ECONOMIC POLICY

Madrid DIARIO 16 in Spanish 27 Apr 84 p 17

[Text] Yesterday, the Madrid business owners from the Madrid Independent Businessmen's Confederation (CEIM), Jose Antonio Segurado's management organization, expressed their dissatisfaction to the president of the government, receiving his remarks with booing. The disapproval occurred almost every time Felipe Gonzalez mentioned citizens' security. Nevertheless, the president of the government never lost his equanimity, and even encouraged the businessmen attending the CEIM assembly to express themselves freely.

Madrid--Yesterday, Felipe Gonzalez participated in the assembly of CEIM, the Madrid managerial association, attended by some 1,000 businessmen, and on several occasions withstood the booing directed at him by a sector of them.

The president of the government was well aware of the kind of audience that was facing him. It in no way resembled that of the assemblies of boards of directors and executives of the Association for the Progress of Management (APD), which the president has already attended once. CEIM is probably the most hard-line Spanish managerial entity at present, and many of its members are "up and coming" businessmen who have constantly and stridently been expressing their opposition to the government's policy.

Far from losing his calmness, when a small businessman, an awning manufacturer, Jacinto Ruiz, injected a rebuke into the debate, which was cheered by a large sector of those present, against the policy of the Ministry of Justice, the president of the government asked Segurado, who had served as mediator so that the assembly would not "become heated," to let the participants express themselves freely.

Felipe Gonzalez said: "The government is not trying to be nice to certain sectors. I don't want to be nice to business owners nor to trade unions."

Report

To be sure, this was no poetry contest. At the outset, Jose Antonio Segurado, who was reelected to another 3 years as chairman of CEIM yesterday, offered the president of the government a rather harsh depiction of the economic situation.

The CEIM chairman remarked that the positive data on the economy are the growth in the gross domestic product, the curbing of inflation and the improvement in the current account balance; and, as negative data, he underscored the addition of 198,000 unemployed last year, the loss of over 2 million jobs in Spain between 1975 and 1983, the increase in public spending, the decline in investment and financing in the private sector and the lack of savings.

Then Jose Antonio Segurado submitted to Felipe Gonzalez a set of measures to be adopted in order to improve the economic situation. These measures focus essentially on reform of the public sector, flexibility for the job market, the recovery of the citizens' security and the maintenance of the state's unity at all costs.

Next it was the turn of the president of the government. Felipe Gonzalez attended the CEIM assembly not only to hear the businessmen, but also to attest to certain attitudes in the business world that are similarly precluding the surmounting of the economic crisis.

The president did not mince words. First of all, he said that business owners are not complying with the government's instructions regarding salary moderation, reminding them that they talk about labor flexibility, but ask for protectionism and tariff barriers. Moreover, Felipe Gonzalez noted that 63 percent of agricultural business owners and 45 percent of those in the services sector do not make any individual income tax declaration. The president claimed that the Spanish society is based upon fraud, and that if this did not exist, there would be no public deficit.

Felipe Gonzalez gave a reminder that there are some business firms benefiting from the public deficit. It was highly significant that, in response to the government's proposal, announced by him, for a reduction in the consumption of pharmaceutical products, a small businessman had requested that this measure not be enacted, because it might hurt the pharmaceutical sector, which is in a state of crisis. He said that none of the major problems currently being confronted by the state have been caused by his government, "and this gives me the moral force to request their solution of everyone."

The CEIM chairman, for his part, noted in his address to over 800 businessmen, most of whom were on the small and medium level, that salaries have risen 36 percent during the past 8 years, while management's benefits have declined 56 percent, admitting that some of the blame is borne by the business owners themselves.

He stressed his theory that the country's economic progress under the Socialist government has not been positive, and that the national savings structure is quite negative, because two thirds is allocated to finance the public sector, leaving the private sector without financing and with high interest rates. He admitted as positive the fact that inflation has been brought under control, but criticized the continued increase in unemployment.

Response

He claimed that, in the future, it would be necessary to deal with three issues vital to our system, namely, that the active population will be increasing at a rate of 125,000 individuals per year over the next 5 years; the deficit in our energy balance and dependence on foreign countries in technological areas; and the antiquated industrial structure, which must be subjected to a reconversion that will necessarily cause layoffs.

Felipe Gonzalez said that he had listened to these considerations with complete attention, noting that "I agree with them to a considerable extent." He gave a reminder that, before the Socialists came to power, these same circles had claimed that the Socialists would carry out a reckless, demagogic policy, "like that enacted by some of our neighbors." They said that the macroeconomy would run away with them and that inflation would shoot up to 20 percent, claiming that it would be impossible to keep it at 12, and that "we would nationalize everything up to the dirt in flowerpots, when the fact is that we have had to protect against the avalanche of nationalizations that the private sector has been requesting of us."

He admitted that the public companies have deficits, but recalled that many of them had been left bankrupt by the private sector, commenting: "It would be miraculous if we were to make them profitable now, overnight. This is one of our obsessions, and progress is being made in this area."

Questions

The question period was the most difficult, and the one which created the greatest irritation, although the topics discussed were the ones that had already been addressed. It was conducted vehemently; one individual called for "no bitterness," and others asked the president not to "give them a long runaround." The public deficit and the lack of financing for the private sector were brought up again. The president commented: "Let's not deceive ourselves. If the money earmarked for the public sector were to be diverted to the private sector, the latter would be incapable of absorbing it; that is why we must seek balance." He claimed that the public deficit for the first quarter of the year "is not alarming to anyone."

They asked him what they had to do in order to recover the authority in their business firms, to which he replied: "By exercising it and obeying the laws," a response that was met with shouts of disapproval. These shouts were repeated when Felipe Gonzalez said that it was "strange that the only release of prisoners that caused a scandal was this one, perhaps because there is a Socialist government now." Regarding the costly expenditures on social security that business owners have to make, his answer was that they would decline and stand at the European level, "but the tax pressure will also stand at the business owners' level."

Four Issues for Debate

What Segurado Requested

Reform of the Public Sector

The situation is chaotic in the public sector enterprises. There is no concern for their profitability. The reconversion process must be undertaken without using it as a means of nationalizing business firms.

Flexibility

It is essential to make the labor market flexible, to make temporary hiring a fact and to be able to lay off workers who do not want to work. This will make it possible to absorb the highest percentage of young workers who have not found jobs.

Citizens' Security

We must recover the atmosphere that will afford investment and savings. We must put an end to the citizens' insecurity, which according to a CEIM poll is due mainly to the impunity with which the acts are committed, and which is also very closely linked with the unemployment and drugs.

Unity of the State

There must be an attempt, using all means, not to destroy the unity of the state, and to prevent the gradual fragmentation from being another obstacle to business owners' engaging in their activity.

How Felipe Gonzalez Responded

A great deal is being done. It is impossible to make the public enterprises earn money through magic devices. A heavy pressure is starting to fall on them. For example, 85 percent of the conflicts occur in the public sector, and 15 percent in the private sector. For the first time in many years, the public sector will be progressing at a lower level than the private sector with regard to salaries.

Not only must the labor market be made flexible, There is also inflexibility in the conduct of business owners, calling for protectionism and tariff barriers. With respect to the labor market, this is the only government that has dared take the first steps toward flexibility.

There is a relationship between drugs and crime, but it is very dangerous to claim that there is a cause and effect relationship between crime and unemployment. The flexibility should enable the young people to find jobs.

There is a risk in the establishment of the autonomous entities, but there is also hope. The government will not only be respectful toward the unity of Spain, but will also intensify it. We shall appeal against any law emerging from an autonomous entity which challenges the unity of the state.

2909

CSO: 3548/246

PALME MAY BE TEMPTED TO ACCOMPANY PRICE FREEZE WITH WAGES LAW

Stockholm DAGENS NYHETER in Swedish 19 Apr 84 p 6

[Commentary by Sven Svensson: "'The Swedish Model' Threatened with Legal Constraint"]

[Text] The big battle concerning the Swedish negotiating model is to be fought out in the fall. When the Parliament convenes in October following the summer recess, the Social Democratic government must decide whether it is to present an emergency law in order to force labor market coordination or whether it can depend on the organizations to abide by the inflation target of 3 percent for 1985 without government intervention.

For this, however, the government cannot sit idle until fall. Already at the next meeting, on 6 June--Sweden's flag day--the labor market parties have to come up with some suggestions for improving the terms of the government's tarnished anti-inflation policy. If this does not happen, the government must escalate the threat of legislation. But the government does not yet know what this will amount to. Feeling its way about the best it can, the government lacks a clear strategy for how the "lunatics on the labor market" are to be returned to the Swedish negotiating model. The government does not have any measures in its back pocket to present at Parliament's final session. At most, it will be some warning declarations by the country's prime minister for consideration during the summer holidays.

The government is in no great rush. There is not much of 1984 left to go. It is now a question of doing something for wages in 1985-1986 so that the devaluation policy will not be destroyed. But after the end of the year, the price and rent freeze can hardly be extended, and the guidelines for the government's coming budget must be drawn up by September. When Parliament meets in October after the summer recess, the administration must have its strategy ready. The timetable calls for the government and the labor market parties both to manage to have two or three meetings before it is time to choose between freedom and compulsion on the Swedish labor market.

A Blow

Many of industry's leaders welcomed the coming of the Social Democratic government. At last, a government that can rule--they thought.

The course of collective bargaining has dealt a serious blow to the confidence in the Palme administration. A Social Democratic government has been able neither to control inflation nor maintain order in its own ranks--chiefly between the Employers' Association and the LO [Swedish Confederation of Trade Unions].

In the complicated play concerning freedom or compulsion on the Swedish labor market, a political and economic leading role has automatically fallen to the SAF--Swedish Employers' Association.

The SAF has long aspired to a decentralization of collective bargaining. The agreement package makes it timely to swing 180 degrees and return in some form to centralized settlement.

The only feasible negotiating model seems to be for the government and the SAF to enter into direct negotiations concerning the direction of economic policy. The government and the SAF are forced to agree on inflation targets, production conditions and economy measures, whereas the negotiating cartels of various kinds can cultivate contract settlements within the assigned economic limits.

Key Role

A great responsibility in such a case will fall on the SAF's newly elected chairman, Claes-Ulrik Winberg. During the coming months, he will play something of a major economic and political role. Then we will see whether a Rosenbad agreement can be reached.

Claes-Ulrik Winberg can be sure of the support of Volvo director Pehr G. Gyllenhammar and other leaders of industry for a Swedish negotiating model of this kind. Presumably from certain circles in the government as well. Collective bargaining has gone awry in at least the past 15 to 20 years. The main lines in the government's strategy in opposing the excessively high wage agreement were drawn up at an international conference at the SSU's [Swedish Social Democratic Youth Association] school in Bommersvik 29 through 30 March. From the first there were altogether three different components: measures on the price side, consideration of the company's solvency and methods of restoring an increased coordination of wage agreements.

The government was fairly unanimous from the very beginning. This was because collective bargaining was going amiss from the start, without Olof Palme and Kjell-Olof Feldt being involved.

Mistake

The big mistake was the public-sector agreement. When Kjell-Olof Feldt was sitting on the plane to Indonesia on 14 March, the municipal employees obtained their agreement, and the state civil service agreement then followed as a letter in the mail a few days later.

The public employers had been generous with wage increases, and a series of index clauses also entered into the agreement.

With that, the wage-agreement front was off and rolling. On 20 March, Metall signed its agreement with the Iron Works Association, without Olof Palme being involved. It was too generous in terms of the government's inflation target of 4 percent for 1984.

Kjell-Olof Feldt landed on 27 March at Arlanda after 2 weeks absence in Asia. When he gathered himself together after the trip, he threatened a price freeze for the first time.

A couple of days later, on 29 and 30 March, the government met at Bommersvik to discuss the content of the spring supplementary proposition. Guidelines for intervention in the area of wage negotiations were drawn up, and the plans for a price and rent freeze and liquidity considerations were present from the very beginning.

The idea of a special commission to conduct discussion with the labor market parties was suggested, but the government gradually reached the conclusion that it was better for the parties to conduct discussions themselves under the government's exacting supervision.

The agreement package was ready for the most part on Friday, 6 April. The government discussed the content for 2 hours when Olof Palme returned from a trip to the United States. Price freezes or price reporting were a relatively open question.

In the same week, Hotel and Restaurant Employees obtained a record average settlement. On Friday, 7 April, Feldt again threatened a price freeze.

Said Feldt: "I have regarded it as my task to help Sweden regain its position as a country where everyone's right to work and a decent living has been restored. But I do not intend to collaborate in the administration of a disintegrating economy."

Monday, 9 April, the government had a new general willingness to discuss the agreement package and child contributions just when the negotiations with the non-Socialists collapsed.

In the afternoon Feldt delivered a talk in English, in which he compared the bargaining parties with a congress of lunatics. He also spoke in the evening at the government dinner with the LO, who were informed of what was going on. The mood was not very pleasant.

Thursday, 12 April, at 11:15, the curtain fell. But by then the contents of the package had already leaked out everywhere.

And collective bargaining had really run away now, as shown by the commercial employees' agreement. There will be vivid proof of this on 1 May, after several of the old dogmas of social democracy have come under scrutiny.

BRIEFS

TECHNICAL, INDUSTRIAL COOPERATION WITH CHINA--Swedish technical and industrial projects are planned in China. Swedish government officials have visited China and discussed various projects of cooperation at a value of several hundred million kroner. "The Chinese need to modernize their industry. That is why they are interested in a technological cooperation with first and foremost European countries in order by that means to avoid dependence on the superpowers," Under-Secretary of the Foreign Ministry Gosta Edgren states. The discussions concern primarily projects involving energy, forest industry and telecommunications. The idea is that so-called developing country credits will be used for future projects in China. Developing country credits involve the granting of favorable loans to poor countries which are willing to utilize Swedish industrial projects in their development projects. One fourth of developing country credits constitutes a grant which is paid from the Swedish developing country aid appropriations. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 10 Apr 84 p 9] 7262

CSO: 3650/194

GOVERNMENT COMES TO RESCUE OF GAS CONSORTIUM AS CRISIS WORSENS

Report Cites Over Optimism

Copenhagen INFORMATION in Danish 12 Apr 84 p 10

[Text] The state-owned DONG [Danish Oil and Natural Gas] consortium's various managers and board of directors have been too optimistic in their evaluation of the disputed natural gas project's economic outlook for the next 20 years, according to a recent project status which shows that the consortium will need 4.7 billion kroner between now and 2005 in order to get out of debt.

Following a board meeting last Wednesday, the present DONG board of directors appointed by the Schluter government at the end of 1983 acknowledged that so far the consortium has been completely mistaken in its economic evaluation of the gas project since the new prognosis shows a result which is almost 7 billion kroner less than that previously submitted.

However, the government concurs with the alarming new evaluation of the project's economy, and "within the next few days" Minister of Energy Knud Enggaard (Liberal Party) expects to learn the outcome of the government's negotiations with the Social Democratic Party, whose aim is to grant the needed 4.7 billion kroner over the next few years so that DONG and the five regional gas companies will not be forced to negotiate any more expensive foreign loans.

Following last Wednesday's board meeting, the temporary DONG chairman, Permanent Undersecretary Holger Lavesen, announced that he has agreed to continue as executive chairman even after 1 June. This means that Lavesen has definitely said farewell to the post of permanent undersecretary in the Ministry of Environment, from which he has been on loan.

Since taking over as DONG executive chairman, Lavesen has had the responsibility of finding two prominent men from Danish industry who could give the board a somewhat broader perspective, and after the board meeting he reported that the present executive chairman of the F. L. Smidth-group, Director Erik Mollerup, has agreed to serve on the DONG board of directors following the next board meeting, which will be held in the near future. Jorgen Norgaard, permanent undersecretary in the Ministry of Environment, will be leaving the board at that time.

New Rescue Plan Set

Copenhagen BERLINGSKE TIDENDE in Danish 14 Apr 84 Sect III p 1

[Article by Dan Axel]

[Text] The government and the Social Democratic Party have reached agreement on an economic "rescue plan" for the natural gas project. Over the next 2 years, the state will pump the first 900 million kroner into the establishment of a new DONG subsidiary--and after that, approximately 200 natural gas municipalities will share an annual "bill" of topmost 385 million kroner.

The natural gas project will now be separate from the other DONG activities. In January 1985, the new subsidiary under the state-owned corporation will get 500 million kroner in new stock capital and another 385 million kroner in early 1986.

The new subsidiary--reputedly named DOGAS--will assume all of the parent company's gas operations and will be guaranteed an annual interest- and installment-free loan of 385 million kroner.

This is the basic result of the agreement reached between the government and the Social Democratic Party last Friday afternoon in the Office of the Prime Minister. But beyond the passive capital investment in the new gas company, both parties agreed that the entire project must be tightened up considerably.

Gas Fired

For example, the minister of energy shall see to it that remote heating as well as central block heating plants which heat large housing areas are not converted from oil to coal--instead, these plants shall be gas fired if they are located in areas supplied with natural gas.

The agreement also contains points to the effect of rebuilding individual power plants so that they may be gas or coal fired--and of establishing gas prices so as to improve the economy of the gas project.

The state will provide the initial capital for DOGAS by means of a budget grant in 1985 and 1986. And by the end of 1986, DONG and the regional gas companies shall come to an agreement on how interested municipalities can help support the corporate gas project, i.e., what share of the annual loan capital of 385 million kroner they shall contribute.

Profit

If local gas sales are better than DONG expects, the profit will be deducted from the municipalities DONG "bill." And if a municipality meets its affiliation requirements, for example--by supplying all potential customers with natural gas in 9 years--it allegedly may get out of paying most of its share of "the bill."

"We have stressed putting an economic safety net under the natural gas project as well as stimulating sales," Hans Makkerup (Social Democratic Party) told Berlingske. "And the greater the sales, the less the need for DONG loan capital."

An agreement between Elsam/Electric Power and DONG with respect to the use of natural gas-fired power plants will also improve the project's economy, which will reduce the state's and the municipalities' "bill."

Every 3 years--beginning at the end of fiscal 1987--the DONG subsidiary's need for capital shall be evaluated.

Satisfied

This evening, for example, DONG Chairman Holger Lavesen said:

"I am satisfied with the broad political agreement on the natural gas project.

"I hope that the other parties represented in Parliament will support the agreement reached between the government and the Social Democratic Party."

New DONG Board Member

Copenhagen BERLINGSKE TIDENDE in Danish 14 Apr 84 Sect III p 5

[Article by Peter Kjelstrup]

[Text] F. L. Smidth Chairman Erik Møllerup actually did not need any more work when he was asked to join the DONG board of directors. But it was difficult for an absolute heavy-weight in Danish industry to say "no" when the prime minister urged him to say "yes" and both the government and the Social Democratic Party economically back the gas project with almost 7 billion kroner.

Urged not only by DONG's now permanent chairman, Undersecretary Holger Lavesen, but also by Prime Minister Poul Schlüter, one of the busiest executive chairmen in Denmark, Erik Møllerup, said "yes" to becoming one of the two board members from private industry which the government had urged be part of the DONG board following the replacement of the old board, headed by Ambassador Jens Christensen, last November.

The other board member has not yet been named.

Erik Møllerup holds a number of posts as chairman and board member of various industries in Denmark: Baltica, Danfoss, Bryggerierne, and chairman of Store Nordiske, Nordisk Kabel og Traad, Aalborg Portland and, not least, F. L. Smidth, where he is executive board chairman, which will be changed to regular board chairman beginning with next month's regular board meeting. He is also at the head of dozens of other companies and organizations.

Mollerup does not hide the fact either that he does not need any more work, but when the DONG chairman and the prime minister personally urged him to take the post, it was difficult to say no.

Civic Duty

"When politicians from the Social Democratic Party and the government economically back the gas project based on a recent and more realistic prognosis, I do not feel I can refuse both Lavesen's and the prime minister's request by simply saying I do not have the time and am no longer a young person.

"I feel it a civic duty to put DONG back on its feet:

"The gas project is there and we might go on discussing ad infinitum what should or should not have been done. Instead, however, we must try to get the most out of it."

Realism

"Do you have any advice for the DONG management?"

"No, that would be a bit premature since I have just stepped inside and have only a broad outline of the problems. But I stress that the prognosis now on the table is realistic. And, in this connection, I am pleased that projected gas sales have been greatly reduced and are much more realistic than earlier estimates. I am referring to the fact that DONG now expects a 65-percent increase in sales, compared to the previously estimated 90 percent. And since the more realistic budget also has the economic backing of the government, which is willing to pay the shortfall, it would take a great deal of courage to say that I would not accept.

"I am definitely not out to seek more jobs, but would like to put my energy and my reputation to the task of creating confidence that the gas project is moving in the right direction."

Money

"And the new board member has that confidence?"

"Yes, providing that Lavesen continues as chairman and the state grants the money needed.

"Not only the government wants to help, but also the Social Democratic Party which--if I may say so--actually baked the cake and, therefore, welcomes a "soft solution" to the problem instead of allowing it to go on until DONG no longer could meet its obligations and government guarantees would have to go into effect.

"That would be the 'hard solution.'

"However, the government now says it wants to share the responsibility of keeping the project alive instead of just sitting back and placing the blame on the Social Democratic Party."

Confidence in Project

"Considering your past experience as director of the Finance Institute for Industry and Commerce, will DONG benefit from its new board member?"

"Based on my past experience, it is obvious that I will be counselled with respect to loan matters, but I believe that DONG is already familiar with the more technical aspects, like where it may be best and least expensive to borrow money.

"No, I believe the most important responsibility will be to create a degree of confidence that the gas project is now moving ahead so that customers who are considering whether to join the project or not will not hold back due to the uncertainty connected with the project itself, but will simply have to decide whether it will benefit them to join or not."

Background to Financial Crisis

Copenhagen BERLINGSKE TIDENDE in Danish 16 Apr 84 Sect III p 16

[Article by Peter Kjelstrup]

[Text] The billion-kroner subsidy, which is a parliamentary majority has now agreed to grant the natural gas project, is only one of many attempts to aid the project. Hidden competitive advantages, project expansions and the like have so far failed to make the project financially solvent.

"As I mentioned before, it must now be realistically determined whether the project can yield sufficient earnings to not only pay back the debt, but also interest on the money invested."

This is what Minister of Energy Knud Enggaard told the parliamentary Energy Policy Committee 6 December last year.

Four months later, the idea of paying interest on "the money invested," 1 billion tax kroner, has been abandoned. And another almost 5 billion tax kroner shall now follow the original 1 billion.

This loan is likewise interest-free and, for that matter, installment-free.

The gas has suddenly gone out of the balloon, which ever since the project's adoption in 1979 has been blown up by constantly changing assumptions concerning the budget and future expectations as well as repeated government and parliamentary aid measures.

Reality

Gas sales are now fully in progress and, so far, sales are considerably less than had been expected by the DONG management.

Reality has caught up with theory.

The aid measures began the day after the former DONG board of directors, headed by Ambassador Jens Christensen, first indicated that there might be something wrong.

Shortly after that, the last big section of the gas network was contracted: the Great Belt crossing.

There was no turning back now.

On 29 January 1982, the DONG board of directors publicized a status report, which showed that project earnings had declined to a dangerously low level, and only if DONG received help in a number of areas could the project escape death due to interest payments.

Energy Tax

The help came:

First of all, Parliament allowed DONG to "include the energy tax" in the project. In good Danish, this meant that natural gas was exempted from the tax levied on all other forms of energy used for heating. For example, the tax is now 360 kroner per 1,000 liters of gas fuel oil and 410 kroner per ton of fuel oil.

Thus a competitive advantage of at least 1,000 kroner per home per year. This means an annual loss to the state of more than 600 million kroner when the gas project is fully developed. And the taxpayers will have to pay it some other way.

Next year, the amount will already be over 200 million kroner.

But that was not enough.

Private home owners and the major share of industrial users were to carry the project home.

But the Monopoly Inspection Board's Gas and Remote Heat Price Committee did not want to accept the idea of keeping industrial gas prices secret and dependent upon the kind of energy a particular concern had been using before.

Monopoly Legislation

Again, Parliament came to the rescue:

Altogether special monopoly regulations were enacted for natural gas. Keeping it a big secret would assure that DONG could sell its gas at substitution prices, a system comparable to pricing electricity according to whatever light sources the customer had used before: candles or oil lamps.

But this special arrangement did not yield the desired result.

Far from it.

It did not generate any sales whatsoever and all the nicely altered regulations are now unimportant. Industrial sales are now based on government tariffs.

By the same legislative change, DONG was allowed to raise its deficit, so to speak, year after year, borrow money to cover it and include all of it in the gas price. At the same time, however, the maximal gas price was securely tied to the taxed gas fuel-oil price.

Electric Heat

The project was further aided by prohibiting the installation of electric heat in new homes located in areas that would later be supplied with natural gas. Electric heat was otherwise popular in the early eighties, especially in new homes due to the low cost of installation. And this was important because of the high interest rate in effect at that time.

Project Expanded

Based on the premise that more customers were needed to cover the big transmission-line deficit, the project once more got a helping hand from the government and Parliament in 1982. The project was expanded to include Central and Northern Jutland.

And, in between, the project was expanded several times relative to the parliamentary decision in 1979, the latest of which was revealed in the status report publicized last week by the new DONG management. According to this report, the project was lent another hand in terms of an additional investment of 1.2 billion kroner. The total investment is now 18.9 billion kroner in fixed prices, yielding a total of almost 72 billion cubic meters of gas.

The goal for the project was originally 55 billion cubic meters, and this is actually what was purchased from the Danish Underground

Consortium

The rest would be purchased at an option.

1982 Aid

In a proposal before Parliament in 1979, the expected rate of earnings was 6 percent, just enough to pay expenses, including the interest on the state's

capital investment of about 1 billion kroner. But then everything went down hill quickly

The first shocking report was publicized in 1982, which led to the first and greatest temporary aid package. Separate emergency measures were designed to help maintain project earnings. The rate should be at least 6 percent just to meet interest payments on the billion-kroner loans invested in the gas project.

Expected rate of earnings in 1979	6 percent
Expansion into Central and Norther Jutland	+ 2 percent
Energy tax included	+ 5 percent
Monopoly legislation change (expected)	+ 2 percent
Exports rather than sales to power plants	+ 5 percent

1984 Aid:

6.8 billion kroner	+ 3.6 percent
This would bring earnings back to	6 percent

What went completely wrong were the budgets, which from the beginning were based on projected sales and prices. This particularly applied to gas sales to power plants, which immediately switched from oil to coal, which gas under no circumstances could compete with pricewise, even less industrial gas prices.

Things also went wrong when sky-high oil prices caused people to cut down on heat, resulting in a 25-percent reduction in consumption per private home. This alone was a minus to the project's 6 percent earnings rate.

Total Coverage

The gas network's total coverage in private residential areas was expected to be 90 percent in no less than 7 to 9 years. Practically speaking, only electrically heated homes were to be exempted because the cost of adaptation would be too high to reasonably enforce the change. The total coverage has now been reduced to 65 percent, and only after 13 years.

And, furthermore, the 1979 budgeted cost of developing the local gas network in various regions was so low that the end result was a shortfall of 7 billion kroner, or the total amount of money now granted the project.

On the other hand, both the initial and later calculations were based on the right figures, but the same cannot be said of DONG's attitude toward Parliament.

Conversely, oil prices have quadrupled since 1979. This alone has provided an 11-percent earnings advantage.

The fact is that the project has now received aid and benefits equal to the total cost of developing the entire network.

And, in spite of that, earnings are not a bit better than they were 5 years ago.

Prospects for Consortium

Copenhagen BERLINGSKE TIDENDE in Danish 17 Apr 84 p 11

[Commentary by 'Monitor']

[Text] The "rescue plan" for DONG and natural gas indicates that to some degree we are continuing in the same old rut. It must be of interest to the public to now learn that socio-economic calculations show that the agreement between the government and the Social Democratic Party is the best possible socio-economically.

It is difficult to see that Minister of Energy Knud Enggaard has had a favorable impact on the natural gas project and the DONG economy. On 6 December the minister addressed Parliament saying that estimates showed that the natural gas project was acceptable socio-economically and that the government was of the opinion it would continue this way, provided that natural gas companies could effectively realize the projected sales. This statement was made at a time when it otherwise must have been obvious that these sales projections could not at all be met and that the socio-economic profitability--now as before--ought to be considered doubtful. As late as November 1983, DONG publicized a report which, for example, indicated that the project's internal profitability (in terms of fixed prices) could be estimated at 6 percent per year. Some 4 months later, the company has estimated its actual earnings to be a good 2 percent. During a parliamentary debate on natural gas 29 March this year, the minister of energy stated that a thorough study of the natural gas project's economy had resulted in a more "cautious" prognosis than that previously submitted. On 11 April DONG reported that the company acutely needed a capital investment of about 7 billion kroner. Based on that, one might predict that the state will waive amortization payments on the capital already invested in DONG, and that additional interest- and installment-free loans totaling almost 5 billion kroner will be granted over the next few years. The minister of energy now seems to accept these figures.

All along it has been clear that the natural gas project would meet with considerable economic problems at a certain point in time. One might wonder why the minister of energy, beginning with his and the government's term of office, did not delve into these matters, which the four-party government could not be said to be involved in at the time. The DONG board of directors could have been replaced at that time, which Enggaard was forced to do last

fall. It might be a comfort to the minister that his predecessors are very much co-responsible for the development. The responsibility for future developments seems to have been taken away from the minister of energy and placed in the hands of the prime minister and the minister of finance.

It is important to find the best possible way out of the natural gas misery. To a large extent, the major natural gas investments have already been made. They cannot be changed and are therefore socio-economically irrelevant in a way. Evaluations concerning the project's future economy must henceforth be based on social considerations. As was pointed out by the so-called Three-Man Committee appointed by the minister of energy, the socially most advantageous completion of the project in some cases would mean that we have to accept lower project and company earnings. Socio-economically it is therefore critical to replace the largest possible share of the most expensive fuel, while actual sales profits are less critical.

It is doubtful that the natural gas agreement entered into between the government and the Social Democratic Party will take care of these economic considerations. The way things have developed, it would be a reasonable solution to openly grant government aid to DONG or an individual natural gas company. Beyond that, natural gas municipalities will apparently be levied a kind of access tax, which can be reduced by adding more natural gas customers within their particular area. It would be problematic if this should lead to coercive municipal action, thus sabotaging the chance of obtaining less expensive sources of heat.

It seems rather doubtful, however, that existing power plants will to a degree be openly forced to purchase natural gas. This gas will supposedly be sold at prices that will improve the natural gas project's economy.

In reality, this issue is of minor importance. It is simply a matter of distribution to determine whether the DONG deficit should be somewhat larger or smaller, or the government aid and the price of electricity somewhat higher or lower. It would be problematic, however, if power plants as links in this solution would have to invest heavily in gas-fired plants, and it is not likely that these investments could be offset by the less expensive outlays for anti-pollution equipment, etc. An increase in the price of electricity would also seriously affect industry, electric heat customers, etc, which in and of itself could have many undesirable consequences. Furthermore, converting existing power plants to gas would not at all result in the replacement of the most expensive form of fuel.

It is difficult to rid oneself of the suspicion that concern for company economics and not socio-economics lies behind the agreement concerning gas-fired existing power plants.

A decision to limit the construction of power plants in the Copenhagen area, for example, would undeniably make more sense. This way, large capital investments in power plants, port facilities, etc, could at least be saved. As we said earlier, it would be equally reasonable to limit the conversion of remote heating and central block heating plants from oil to coal. However, this

is economically doubtful since the matter of political prestige prevents tampering with the planned expansion of power plants.

It is also surprising that socio-economic concerns have not led to the idea of lowering the price on natural gas sales to industry. Again, this would probably adversely affect DONG's economy. This, however, is quite unimportant socio-economically. The resulting improvement in industry's ability to compete, on the other hand, might be expected to yield positive socio-economic results.

So far, the adoption of the natural gas project has been marked by little socio-economic consideration. Furthermore, plans to organize and develop the project have ignored several basic economic considerations. "The rescue plan" for DONG and natural gas indicates that to some degree we are continuing in the same old rut, thus making the losses greater than necessary. It must be of interest to the public to now learn that the socio-economic calculations submitted by the Ministry of Energy and DONG show that the recent agreement between the government and the Social Democratic Party is the best possible socio-economically. Because these calculations do exist, do they not?

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CSO: 3613/139

BRIEFS

ENERGY CONSUMPTION INCREASES--The first quarter of the year saw a rapid increase in the consumption of electricity in Finland. The consumption figures for January-March were 11 percent higher than in the corresponding period for last year. This rapid increase in consumption is the result of stronger economic growth according to Finland's Association of Electric Power Plants. In January-March 13.54 terawatt-hours of electricity were consumed while consumption in the beginning of 1983 was 12.16 terawatt-hours. This rapid growth has not produced any problems since the situation regarding the production of electricity has also remained exceptionally good. Nuclear power produced 36 percent of all the electricity. Hydropower remains in second place with 25 percent since this year will be the fourth consecutive year of exceptionally good precipitation. The proportion of counterpressure electricity has increased considerably and amounted to nearly one-fourth in January-March. Electricity produced in connection with municipal heating, in particular, has clearly increased. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 20 Apr 84 p 24] 10576

PANEL: ENVIRONMENT MINISTRY PERSONNEL SHORTAGE HURTS

Helsinki HUFVUDSTADSBLADET in Swedish 28 Apr 84 p 8

[Text] The Ministry of Environment and the county councils need more personnel to be able to do the work required by air pollution control. This was reported by a working group, which under the leadership of bureau chief Alex Estlander discussed the question. Its conclusions have been delivered to the Ministry of Environment.

Before 1988 air pollution control personnel at the ministry should be doubled from the present 5 to 10 people. In the county councils approximately 40 additional people are needed so that air pollution control measurements from new installations can be handled within 6 months. If a 12-month handling time is satisfactory, 25 additional people are needed in the county councils.

Training

Furthermore more money should be set aside for training of air pollution control personnel, for the inspections and treatment visits which the air pollution law requires, and for reports and investigations ordered by outsiders.

The air pollution control law came into force in October 1982. In practice the law was first put into effect by the county councils on the basis of the so-called application procedure. The task of the ministry is mostly to work out regulations and directives, and supervise that they are carried out.

The working group confirmed that the importance of air pollution control is constantly growing. Investment costs for air pollution control will soon be in the same class as for water pollution control, according to the working group.

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